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LEGISLATIVE HISTORY

COMMODITY CREDIT CORPORATION Continuation

H. R. 3477
78th Congress -- 1st Session

Vetoed

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DIGEST OF H. R. 3477

H. R. 3477 changes the basis of annual appraisal of Commodity Credit Corporation's assets; continues it as a U. S. agency until not later than June 30, 1945 (with no increase in borrowing authority); provides for GAO audit of CCC's transactions, in accordance with commercial corporate practices, with annual report to Congress (no provision for prior examination by CCC); permits CCC to sell at loss its perishable fruits or vegetables the increased production of which has been requested by WFA, if there is danger of spoilage; prohibits subsidy payments on agricultural commodities and products (except certain fats and oils), by CCC or other agencies, to reduce or maintain, or in lieu of increasing, ceiling prices, except that programs announced by Oct. 13 may be continued through December 31, 1943; permits continuation of support price announcements and commodity loans; and prohibits price ceilings below support prices or prices specified in Sec. 3 of the Price Control Act.

INDEX AND SUMMARY OF HISTORY ON H. R. 3477

September 29, 1943 Hearings: House, H. R. 3477.

October 18, 1943 S. 1458 was introduced by Senator Bankhead and was referred to the Senate Committee on Banking and Currency. Print of the bill as introduced. (Companion bill).

 H. R. 3477 was introduced by Rep. Steagall and was referred to the House Committee on Banking and Currency. Print of the bill as introduced.

November 8, 1943 House Committee reported H. R. 3477 without amendment. House Report 846. Print of the bill as reported.

November 10, 1943 H. R. 3477 discussed in the House.

November 16, 1943 House Rules Committee reported H. Res. 356 for the consideration of H. R. 3477. Print of the Resolution.

November 17, 1943 H. R. 3477 discussed in the House.

November 18, 1943 House debate began on H. R. 3477.

November 19, 1943 House debate concluded on H. R. 3477.

November 22, 1943 Action postponed because of death of Rep. Steagall.

November 23, 1943 H. R. 3477 passed House as reported.

November 26, 1943 H. R. 3477 was referred to the Senate. Print of the bill as referred.

November 30, 1944 Hearings: Senate, S. 1458 and H. R. 3477.

January 19, 1944 Senate Committee reported H. R. 3477 with an amendment. Senate Report 631. Print of the bill as referred.

January 20, 1944 Amendment proposed by Senator Maloney to H. R. 3477. Print of the amendment.

January 24, 1944 Senate rejected motion to consider H. R. 3477. Senator Butler proposed amendment to H. R. 3477. Print of the amendment.

January 26, 1944 Senator O'Mahoney proposed an amendment to H. R. 3477. Print of the amendment.

January 27, 1944 Senator Eastland proposed an amendment to H. R. 3477. Print of the amendment.

February 4, 1944 Senator Taft proposed an amendment to H. R. 3477. Print of the amendment.

February 8, 1944 Senator Bankhead proposed amendments to H. R. 3477.
Print of the amendments.

February 9, 1944 Senate debate began on H. R. 3477.

 Senators Aiken, Clark, and Eastland proposed amendments
to H. R. 3477. Prints of the amendments.

February 10, 1944 Senate debate continued.

 Senator Pepper proposed amendments to H. R. 3477. Prints
of the amendments.

February 11, 1944 Senate debate concluded. H. R. 3477 passed Senate with
amendments.

February 14, 1944 House appointed Conferees.

February 15, 1944 Senate appointed Conferees.

February 16, 1944 Both Houses received the Conference Report. House Rept.
1155. Senate agreed to the Conference Report.

February 17, 1944 House agreed to the Conference Report.

February 18, 1944 The President vetoed H. R. 3477. Print of the veto
message. House Document 441.

 Veto sustained.

Senate later passed S. J. Res. 216 - Public Law 240 -
78th Congress, to continue CCC.

2. Selective service. Extension of remarks of Rep. Donagheaux, La., favoring increased allowances for dependents of men in the service (pp. A4685-86).

BILLS INTRODUCED

S. 1449,

1. Reclamation. By Sen. McNary, Oreg., and Rep. White, Idaho, H. R. 3476 (pp. 8504, 8582), to approve a contract negotiated with the Klamath Drainage District. To Irrigation and Reclamation Committee. (p. 8504.)

By Sen. Bankhead, Ala., S. 1456, to amend an act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work. To Irrigation and Reclamation Committee. (p. 8505.)

2. Personnel. By Sen. Scrugham, S. 1455, to give honorable discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed. To Civil Service Committee. (p. 8504.)

3. Advertising. By Sen. Bankhead, Ala., S. 1457, to aid in the stabilization program and the war effort by paid newspaper advertising in connection with the sale of U. S. bonds. To Banking and Currency Committee. (p. 8505.)

4. Investigations. By Rep. Pittenger, H. J. Res. 173, establishing joint congressional committees to obtain information with respect to the functioning of Government agencies. To Rules Committee. (p. 8582)

H. R. 3472,

5. Taxation. By Rep. Curtis, Nebr., and Rep. Gearhart, Calif., H. R. 3473, to permit the amount of charitable contributions made or to be made to be taken into account in computing the withholding tax. To Ways and Means Committee. (p. 8581.)

By Rep. Pace, Ga., H. R. 3486 (by request), "to amend the Current Tax Payment Act of 1943". To Ways and Means Committee. (p. 8582.)

6. Judiciary. By Rep. Buffett, Nebr., H. R. 3474, to abolish certain fees to be taxed and allowed to attorneys, solicitors, and proctors in U. S. and to district attorneys. To Judiciary Committee. (p. 8582.)

7. Commodity Credit subsidies. By Sen. Bankhead, S. 1458, which is similar to the Steagall bill (following) except that it authorizes additional borrowing authority of \$250,000,000; in general, requires liquidation of the subsidy program by June 30, 1944; and safeguards AAA payments. To Banking and Currency Committee. (p. 8505.)

By Rep. Steagall, Ala., H. R. 3477, which changes the basis of annual appraisal of CCC's assets; continues it as a U. S. agency until not later than June 30, 1945 (with no increase in borrowing authority); provides for GAO audit of CCC's transactions, in accordance with commercial corporate practices, with annual report to Congress (no provision for prior examination by CCC); permits CCC to sell at loss its perishable fruits or vegetables the increased production of which has been requested by WFA, if there is danger of spoilage; prohibits subsidy payments on agricultural commodities and products (except certain fats and oils), by CCC or other agencies, to reduce or maintain, or in lieu of increasing, ceiling prices, except that programs announced by Oct. 13 may be continued through December 31, 1943; permits continuation of support-price announcements and commodity loans; and prohibits price ceilings below support prices or prices specified in Sec. 3 of the Price Control Act.

48. Property disposition. By Sen. Murray, Mont., S. Res. 195, requesting the President to direct "the appropriate executive agency or agencies" to make a study and investigation of war materials owned or controlled or hereafter acquired, in order to supply the information to Congressional Committees "set up to deal with the problems of war property disposal." To Military Affairs Committee. (n8
49. Personnel. By Sen. O'Daniel, Tex., S. J. Res. 86, which, among other things, prohibits the appointment to any U. S. civil office of a Member of Congress or U. S.-court judge within five years after holding such office. (Oct. 14.) To Judiciary Committee. (pp. 8394-95.)
- S. 1441 (see Digest 153) removes, for full-time employees receiving less than \$1,200, the 25% overtime-pay limitation (Oct. 14.) To Civil Service Committee. (p. 8394.)

ITEMS IN FEDERAL REGISTER Oct. 16, 1943

50. Price control. CPA's orders on corn, eggs, fabrics, seafood, packing expenses on sales to procurement agencies, paper, petroleum, milk, solid fuels, rice and groceries.
51. Food distribution. FDO 75--2, Am. 3, on beef required to be set aside (p. 14073 FDO 85 and FDO 85--1, on Texas grapefruit (pp. 14071, 14072); and FDO 79; on conservation and distribution of milk and cream (pp. 14067-70).
52. AAA; marketing quotas. First Assistant War Food Administrator's notice of termination of national marketing quota for fire-cured and dark air-cured tobacco (p. 14067).

S. 1458

IN THE SENATE OF THE UNITED STATES

OCTOBER 18 (legislative day, OCTOBER 12), 1943

Mr. BANKHEAD introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Act approved March 8, 1938 (52 Stat.
4 107), as amended, is hereby amended by deleting from the
5 first sentence thereof the term "31st of March" where that
6 term first appears therein and substituting in lieu thereof the
7 term "30th of June", and by deleting from the second sen-
8 tence thereof "on the basis of the cost, including not more
9 than one year of carrying charges, of such assets of the
10 Corporation, or the average market prices of such assets for

1 a period of twelve months ending with March 31 of each
2 year, whichever is less” and inserting in lieu thereof “on
3 the basis of the cost, or, insofar as practicable, the average
4 market price of such assets during the last month of the
5 fiscal year covered by the appraisal, whichever is the lower”.
6 The first appraisal of the assets and liabilities of the Com-
7 modity Credit Corporation on the basis established by this
8 amendment shall be made as of June 30, 1944.

9 SEC. 2. Section 7 of the Act approved January 31, 1935
10 (49 Stat. 4), as amended, is hereby amended by changing
11 the designation thereof to section 7 (a) ; by striking out in
12 the first sentence of such section “December 31, 1943” and
13 inserting in lieu thereof “June 30, 1945”; and by striking
14 out the period at the end of such section and inserting in
15 lieu thereof a colon and the following: “*Provided, however,*
16 *That the Corporation shall at all times maintain complete and*
17 *accurate books of account and shall determine the procedures*
18 *to be followed in the transaction of the corporate business.*
19 “(b) The financial transactions of the Corporation be-
20 ginning with the period from July 1, 1944, shall be audited
21 by the General Accounting Office in accordance with the
22 principles applicable to commercial corporate transactions and
23 under such rules and regulations as may be prescribed by
24 the Comptroller General of the United States: *Provided,*
25 *That the Corporation shall continue to have the authority to*

1 make final and conclusive settlement and adjustment of any
2 claims by or against the Corporation or the accounts of its
3 fiscal officers: *Provided further*, That a report of such audit
4 shall be made to the Congress, together with such recom-
5 mendations as the Comptroller General may deem advisable,
6 and that each such report shall cover a period of one fiscal
7 year: *Provided further*, That a copy of each such report shall
8 be furnished the Secretary of the Treasury and that the find-
9 ings contained therein shall be considered by the Secretary
10 in appraising the assets and liabilities and determining the
11 net worth of the Corporation under sections 1 and 2 of the
12 Act of March 8, 1938 (52 Stat. 107), as amended: *Provided*,
13 *however*, That nothing in this section shall be construed as
14 modifying legislation authorizing the use of funds of the
15 Corporation for administrative expenses and requiring ac-
16 countability therefor.

17 “(c) The expenses of the audit as provided in this sec-
18 tion may be paid up to and including June 30, 1946, from
19 moneys advanced therefor by the Corporation, or from any
20 appropriation or appropriations for the General Accounting
21 Office, and appropriations so used shall be reimbursed
22 promptly by the Corporation as billed by the Comptroller
23 General: *Provided*, That any such advances or reimburse-
24 ments shall be considered as nonadministrative expenses of
25 the Corporation. For the purpose of such audit the repre-

1 representatives of the General Accounting Office shall have access
2 to all papers, books, files, accounts, financial records, ware-
3 houses, and all other things, property, and places belonging
4 to or under the control of or used or employed by the Cor-
5 poration and shall be afforded full facilities for verifying
6 transactions with the balances in depositaries and with fiscal
7 agents: *Provided further*, That the certified financial reports
8 and schedules of the fiscal agents of the Corporation based on
9 commercial audits in the usual course of business may be ac-
10 cepted by the General Accounting Office in its audit of the
11 financial transactions of the Corporation as final and not sub-
12 ject to further audit verification.

13 “(d) Any examination of the corporate records shall
14 be made at the place or places where such records are nor-
15 mally kept in the transaction of the corporate business, and
16 the Corporation shall retain custody of contracts, vouchers,
17 schedules, or other financial or accounting documents, either
18 original or duplicate, relating to its nonadministrative
19 transactions.”

20 SEC. 3. No funds appropriated to, borrowed by, or in the
21 custody or control of any governmental agency (including
22 any Government-owned or Government-controlled corpora-
23 tion) shall be directly or indirectly used by or made available
24 to the Commodity Credit Corporation or any other govern-
25 mental agency, including any Government-owned or Govern-

1 ment-controlled corporation, to make any subsidy or other
2 payment, or to pay or absorb losses, on any agricultural
3 commodity or any commodity processed or manufactured in
4 whole or substantial part therefrom, including milk and live-
5 stock and the products thereof, either to reduce or maintain,
6 or in lieu of increasing, maximum prices established on such
7 commodities, except as provided in section 4 hereof: *Pro-*
8 *vided*, That with respect to any such commodities for which
9 subsidy programs or support prices have been announced on
10 or before October 13, 1943, such programs may be carried
11 out and such support prices may continue to be maintained to
12 the extent only that funds are available for such purpose un-
13 der existing law, but winding up and liquidating such pro-
14 grams shall proceed after December 31, 1943, and shall be
15 completed within a reasonable time not later than June 30,
16 1944: *Provided further*, That support prices shall continue
17 to be announced for any such commodities pursuant to section
18 4 of Public Law Numbered 147, approved July 1, 1941, as
19 amended, and loans shall continue to be made pursuant to
20 section 8 of Public Law Numbered 729, approved October 2,
21 1942, but any maximum prices heretofore or hereafter estab-
22 lished for such commodities shall not be below the support
23 prices therefor or below the prices specified in section 3 of
24 Public Law Numbered 729, approved October 2, 1942:
25 *Provided further*, That none of the foregoing provisions shall

1 apply to any payments or losses incurred in transactions with
2 respect to domestic vegetable oils and fats and oil seed and the
3 ingredients and products thereof: *And provided further*, That
4 nothing herein shall be construed to prevent the making of
5 parity payments, soil-conservation payments, or benefits to
6 sugar growers authorized under title III of the Sugar Act of
7 1937, as amended, or the sale of feed wheat as authorized by
8 existing law.

9 SEC. 4. The Commodity Credit Corporation may sell at
10 a loss perishable fruits or vegetables, owned or controlled by
11 it, the increased production of which has been requested by
12 the War Food Administrator, if there is danger of substantial
13 loss through deterioration by spoilage.

14 SEC. 5. The first sentence of section 4 of the Act ap-
15 proved March 8, 1938 (52 Stat. 108), as amended, is hereby
16 amended by striking out "\$3,000,000,000" and inserting in
17 lieu thereof "\$3,250,000,000".

A BILL

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

By Mr. BANKHEAD

OCTOBER 18 (legislative day, OCTOBER 12), 1943

Read twice and referred to the Committee on
Banking and Currency

78TH CONGRESS
1ST SESSION

H. R. 3477

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 1943

Mr. STEAGALL introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Act approved March 8, 1938 (52 Stat.
4 107), as amended, is hereby amended by deleting from
5 the first sentence thereof the term "31st of March" where
6 that term first appears therein and substituting in lieu
7 thereof the term "30th of June", and by deleting from
8 the second sentence thereof "on the basis of the cost, includ-
9 ing not more than one year of carrying charges, of such
10 assets to the Corporation, or the average market prices of

1 such assets for a period of twelve months ending with March
2 31 of each year, whichever is less” and inserting in lieu
3 thereof “on the basis of the cost, or, insofar as practicable,
4 the average market price of such assets during the last
5 month of the fiscal year covered by the appraisal, which-
6 ever is the lower”. The first appraisal of the assets and
7 liabilities of the Commodity Credit Corporation on the basis
8 established by this amendment shall be made as of June 30,
9 1944.

10 SEC. 2. Section 7 of the Act approved January 31, 1935
11 (49 Stat. 4), as amended, is hereby amended by changing
12 the designation thereof to section 7 (a); by striking out in
13 the first sentence of such section “December 31, 1943” and
14 inserting in lieu thereof “June 30, 1945”; and by striking
15 out the period at the end of such section and inserting in lieu
16 thereof a colon and the following: “*Provided, however, That*
17 the Corporation shall at all times maintain complete and
18 accurate books of account and shall determine the procedures
19 to be followed in the transaction of the corporate business.

20 “(b) The financial transactions of the Corporation be-
21 ginning with the period from July 1, 1944, shall be audited
22 by the General Accounting Office in accordance with the
23 principles applicable to commercial corporate transactions
24 and under such rules and regulations as may be prescribed by
25 the Comptroller General of the United States: *Provided,*

1 That the Corporation shall continue to have the authority to
2 make final and conclusive settlement and adjustment of any
3 claims by or against the Corporation or the accounts of its
4 fiscal officers: *Provided further*, That a report of such audit
5 shall be made to the Congress, together with such recom-
6 mendations as the Comptroller General may deem advisable,
7 and that each such report shall cover a period of one fiscal
8 year: *Provided further*, That a copy of each such report
9 shall be furnished the Secretary of the Treasury and that
10 the findings contained therein shall be considered by the
11 Secretary in appraising the assets and liabilities and deter-
12 mining the net worth of the Corporation under sections 1
13 and 2 of the Act of March 8, 1938 (52 Stat. 107), as
14 amended: *Provided, however*, That nothing in this section
15 shall be construed as modifying legislation authorizing the
16 use of funds of the Corporation for administrative expenses
17 and requiring accountability therefor.

18 “(c) The expenses of the audit as provided in this section
19 may be paid up to and including June 30, 1946, from moneys
20 advanced therefor by the Corporation, or from any appro-
21 priation or appropriations for the General Accounting Office,
22 and appropriations so used shall be reimbursed promptly by
23 the Corporation as billed by the Comptroller General: *Pro-*
24 *vided*, That any such advances or reimbursements shall be
25 considered as nonadministrative expenses of the Corporation.

1 For the purpose of such audit the representatives of the
2 General Accounting Office shall have access to all papers,
3 books, files, accounts, financial records, warehouses, and all
4 other things, property and places belonging to or under the
5 control of or used or employed by the Corporation and shall
6 be afforded full facilities for verifying transactions with the
7 balances in depositaries and with fiscal agents: *Provided*
8 *further*, That the certified financial reports and schedules of
9 the fiscal agents of the Corporation based on commercial
10 audits in the usual course of business may be accepted by the
11 General Accounting Office in its audit of the financial trans-
12 actions of the Corporation as final and not subject to further
13 audit verification.

14 “(d) Any examination of the corporate records shall be
15 made at the place or places where such records are normally
16 kept in the transaction of the corporate business, and the
17 Corporation shall retain custody of contracts, vouchers,
18 schedules, or other financial or accounting documents, either
19 original or duplicate, relating to its nonadministrative
20 transactions.”

21 SEC. 3. No funds appropriated to, borrowed by, or in
22 the custody or control of any governmental agency (includ-
23 ing any Government-owned or Government-controlled corpo-
24 ration) shall be directly or indirectly used by or made
25 available to the Commodity Credit Corporation or any other

1 governmental agency (including any Government-owned or
2 Government-controlled corporation) (to make any subsidy
3 or other payment, or to pay or absorb losses, on any agri-
4 cultural commodity or any commodity processed or manu-
5 factured in whole or substantial part therefrom, including
6 milk and livestock and the products thereof, either to reduce
7 or maintain, or in lieu of increasing, maximum prices estab-
8 lished on such commodities, except as provided in section 4
9 hereof: *Provided*, That with respect to any such commodities
10 for which subsidy programs or support prices have been
11 announced on or before October 13, 1943, such programs may
12 be carried out and such support prices may continue to be
13 maintained to the extent only that funds are available for
14 such purpose under existing law, but not beyond December
15 31, 1943: *Provided further*, That support prices shall con-
16 tinue to be announced for any such commodities pursuant to
17 section 4 of Public Law No. 147, approved July 1, 1941,
18 as amended, and loans shall continue to be made pursuant
19 to section 8 of Public Law No. 729, approved October 2,
20 1942, but any maximum prices heretofore or hereafter estab-
21 lished for such commodities shall not be below the support
22 prices therefor or below the prices specified in section 3 of
23 Public Law No. 729, approved October 2, 1942: *Provided*
24 *further*, That none of the foregoing provisions shall apply
25 to any payments or losses incurred in transactions with respect

1 to competitive domestic vegetable oils and fats and oil seed.

2 SEC. 4. The Commodity Credit Corporation may sell at
3 a loss perishable fruits or vegetables, owned or controlled by
4 it, the increased production of which has been requested by
5 the War Food Administrator, if there is danger of substantial
6 loss through deterioration by spoilage.

A BILL

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

By Mr. STEAGALL

OCTOBER 18, 1943

Referred to the Committee on Banking and Currency

cent of all the births in the District of Columbia during 1942, I wish to point out to the Members of the House that of the total of 2,264 only 2 births resulted fatally. In my opinion this record is one to be proud of.

The number of positions is 901 to 930, but you gentlemen must remember that the manpower problem is serious, and is becoming increasingly so, and I am informed that as of this day there are in excess of 170 unfilled positions at Gallinger, and many hundreds throughout the municipal service. Then again, the war demands have brought about such a terrific turn-over that our departments and institutions are becoming honeycombed with individuals who are not up to the standard in qualifications, who are inexperienced and frequently inefficient and unambitious. It is not a question of funds, for ample funds have been made available. It is the question of the war impact on personnel. Certainly the Capital building program has been materially interfered with, but on November 1, 1942, ground was broken for an obstetrical pavilion to house 150 mothers with adequate facilities for their entrance, including nurses.

Funds for these improvements were provided for by the Lanham Act. This Congress approved and authorized the renovation of the buildings located on Upshur Street as a convalescent home to help relieve the burden of Gallinger, as well as Glenn Dale hospitals. We have been aware of our responsibilities, and so have the District officials.

In the 1942 appropriation act Congress, upon recommendation of the Appropriations Committee, authorized the expenditure of \$78,750 for a new kitchen at Gallinger Municipal Hospital, which kitchen would have provided for the feeding of 1,500 patients 3 times a day, whereas the existing facilities were built to feed approximately 300 patients 3 times a day. Following the appropriation a request was made by the Commissioners to the War Production Board, and this within 30 days, for preference ratings so that critical materials might be obtained to carry out promptly this much needed facility. On July 28, 1942, the War Production Board issued a preference rating for materials in the amount of \$4,400.95, an amount sufficient to repair obsolete and dilapidated ice boxes. It refused preference ratings for the construction of the kitchen. On September 2, 1942, a further request was made to the War Production Board to allow ratings for this project. Again it was refused, but they did allow \$4,300 for the repair of kitchen equipment.

Gentlemen, Gallinger today, with a load of 1,051 patients and a capacity of 1,451 patients, is compelled to use a kitchen built and equipped to feed 300 patients 3 times per day, and in addition to that other meals made necessary by special diets, formulas, and the staff.

That the hospital has managed to feed 1,051 patients in a kitchen, the capacity of which is around 300, is a remarkable tribute to the administrative skill of those in charge.

The full force of the war's impact on this situation was felt when food rationing, the inability to obtain certain food products, and the manpower shortage combined to accentuate the problem that had long existed.

(Mr. STEFAN asked and was given permission to revise and extend his own remarks in the RECORD.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FULBRIGHT, for 1 day, on account of official business.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 533. An act for the relief of John P. von Rosenberg; and

H. R. 3029. An act to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill.

ADJOURNMENT

Mr. HAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 28 minutes p. m.) the House adjourned until tomorrow, Tuesday, October 19, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON RIVERS AND HARBORS

(Tuesday, October 19, 1943)

The Committee on Rivers and Harbors will meet Tuesday, October 19, 1943, at 11 a. m., to hold hearings on the following projects: Connecticut River, between Hartford, Conn., and Holyoke, Mass.; Alabama-Coosa Rivers, Ala. and Ga.; Tennessee-Tombigbee waterway; and Trinity River, Tex.

COMMITTEE ON THE JUDICIARY

(Wednesday, October 20, 1943)

Subcommittee No. 1 of the Committee on the Judiciary will conduct hearings on House Joint Resolution 39, proposing an amendment to the Constitution of the United States, extending the right to vote to citizens 18 years of age or older, at 10 a. m. on Wednesday, October 20, 1943, in room 346 Old House Office Building, Washington, D. C.

(Wednesday, November 3, 1943)

Subcommittee No. 2 of the Committee on the Judiciary will conduct hearings on H. R. 786, a bill to amend section 40 of the United States Employees' Compensation Act, as amended (to include chiropractic practitioners), at 10:30 a. m. on Wednesday, November 3, 1943, in room 346 Old House Office Building, Washington, D. C.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, October 21, 1943)

There will be a meeting of the petroleum subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, October 21, 1943.

Business to be considered: To begin hearings on the petroleum situation.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

Notice of postponement of hearing

(Tuesday, October 26, 1943)

The hearing which was scheduled for Tuesday, October 19, 1943, at 10 a. m., on the bill, H. R. 3334, relating to certain benefits to trainees in the Maritime Service, has been postponed until Tuesday, October 26, 1943, at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

855. A letter from the Director, Selective Service System, transmitting substitution for page No. 1 of the Consolidated Report of Personnel Requirements for the Quarter Ending December 31, 1943; to the Committee on the Civil Service.

856. A letter from the Acting Secretary of the Interior, transmitting, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, one copy of various legislation passed by the Municipal Council of St. Croix; to the Committee on Insular Affairs.

857. A letter from the Acting Secretary of the Interior, transmitting, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, one copy of the following legislation passed by the Municipal Council of St. Thomas and St. John: Bill No. 53, budget for the municipality of St. Thomas and St. John for the fiscal year July 1, 1943, to June 30, 1944; to the Committee on Insular Affairs.

858. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires in tents used as quarters by members of the Twelfth Naval Construction Battalion, Long Island, Alaska, on December 26, 1942, and May 26, 1943, respectively; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANHAM: Committee on Patents. H. R. 3130. A bill to prohibit proof of acts done by an inventor in foreign countries; without amendment (Rept. No. 778). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BECKWORTH:

H. R. 3471. A bill making it a misdemeanor to stow away on aircraft and providing punishment therefor; to the Committee on Interstate and Foreign Commerce.

By Mr. CURTIS:

H. R. 3472. A bill to permit the amount of charitable contributions made or to be made to be taken into account in computing the tax required to be deducted and withheld on wages; to the Committee on Ways and Means.

By Mr. GEARHART:

H. R. 3473. A bill to permit the amount of charitable contributions made or to be made to be taken into account in computing the tax required to be deducted and withheld

on wages; to the Committee on Ways and Means.

By Mr. BUFFETT:

H. R. 3474. A bill to abolish certain fees to be taxed and allowed to attorneys, solicitors, and proctors in the courts of the United States and to district attorneys; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. R. 3475. A bill to provide monthly payments for unemployed veterans of the present war for a limited period after separation from the service; to the Committee on Military Affairs.

By Mr. WHITE:

H. R. 3476. A bill to approve a contract negotiated with the Klamath drainage district and to authorize its execution, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. STEAGALL:

H. R. 3477. A bill to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes; to the Committee on Banking and Currency.

By Mr. WARD JOHNSON:

H. R. 3485. A bill to maintain on active duty during the present war officers of the Regular Army who reach retirement age; to the Committee on Military Affairs.

By Mr. PACE:

H. R. 3486 (by request). A bill to amend the Current Tax Payment Act of 1943; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 3487. A bill to reduce immigration quotas as determined and proclaimed under the Immigration Act of 1924; to the Committee on Immigration and Naturalization.

By Mr. PITTINGER:

H. J. Res. 173. Joint resolution establishing joint congressional committees to obtain complete information with respect to the functioning of the executive departments and independent agencies of the Government; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE:

H. R. 3478. A bill for the relief of the estate of Edward P. McCormack, former postmaster at Albany, N. Y.; to the Committee on Claims.

By Mr. HINSHAW:

H. R. 3479. A bill for the relief of Daniel N. Skeeters; to the Committee on Claims.

By Mr. JENSEN:

H. R. 3480. A bill granting an increase of pension to Jennie L. Empson; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON:

H. R. 3481. A bill for the relief of J. William Ingram; to the Committee on Claims.

By Mr. LANE:

H. R. 3482. A bill for the relief of James F. MacKinnon; to the Committee on Claims.

By Mr. LANHAM:

H. R. 3483. A bill relative to the military record of Charles C. Rascoe, deceased; to the Committee on Military Affairs.

By Mr. O'BRIEN of Michigan:

H. R. 3484. A bill for the relief of Mrs. Pearl W. Peterson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2987. By Mr. ANDREWS: Letter from the Business and Professional Women's Club of the Tonawandas, New York, expressing their approval, by resolution, of equal rights

amendment; to the Committee on the Judiciary.

2988. Also, resolution adopted by the Niagara Frontier Cooperative Milk Producers Bargaining Agency, Inc., of Buffalo, N. Y., protesting against any further subsidy for the dairy industry; to the Committee on Banking and Currency.

2989. Also, resolution adopted by the Buffalo Association of Fire Underwriters, favoring the enactment of House bill 3269 and Senate bill 1362; to the Committee on the Judiciary.

2990. By Mr. SMITH of West Virginia: Eight petitions of the adult classes of the Calvary Baptist Church Sunday School, Charleston, W. Va., urging the enactment of House bill 2082, the Bryson bill; to the Committee on the Judiciary.

2991. By Mr. LUTHER A. JOHNSON: Petition of Frances M. Cushman and Edward M. Polk, of Corsicana; Lottie May Walker and W. A. McMillan, of Bremond and Calvert, respectively; and Jno. A. Moore, of Bryan, all of the State of Texas, favoring House bill 3269 and House bill 3270; to the Committee on the Judiciary.

2992. Also, memorial of Lols J. Martin, of Hillsboro, and Fred H. Clark, of Ennis, Tex., favoring House bill 3269 and House bill 3270; to the Committee on the Judiciary.

2993. By Mr. TROUTMAN: Petition of 63 members of the Kiwanis Club, of Williamsport, Pa., protesting against the passage of House bill 2861 and Senate bill 1161, to amend and extend the provisions of the Social Security Act, and for other purposes; to the Committee on Ways and Means.

2994. By Mr. HESS: Petition of Gustav Pfeiffer, Thorpe R. Green, and other citizens of Hamilton County, Ohio, protesting against any legislation which would establish national prohibition; to the Committee on the Judiciary.

2995. By Mr. PLOESER: Petition of G. H. Keigel and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

2996. Also, petition of E. J. O'Connor and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

2997. Also, petition of Edna Messenger and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

2998. Also, petition of Sebastian Kretschmann and 180 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

2999. Also, petition of Al Offerman and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3000. Also, petition of Frank Schaub and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3001. Also, petition of Harry Salabay, Jr., and 39 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3002. Also, petition of Joseph J. Montrey and 80 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3003. Also, petition of Frank Zorevry and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3004. Also, petition of Bert Schader and 19 petitioners of St. Louis, Mo., protesting

against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3005. By Mr. MICHENER: Petition of Gertrude F. McCulloch, of Jackson, Mich., and signed by 110 other residents of the community, urging repeal of the Chinese Exclusion Act; to the Committee on Immigration and Naturalization.

3006. By Mr. MCGREGOR: Petition of the members of the Christian Church of Mount Vernon, Knox County, Ohio, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3007. By Mr. GRIFFITHS: Petition of sundry citizens of Trinway, Ohio, supporting House bill 2082, prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3008. By Mr. MURDOCK: Petition of Fred R. Daehler and 26 other citizens of Globe, Ariz., urging the enactment of House bill 2082, which would stop the manufacture and sale of alcoholic beverages for the duration of the war and during demobilization and remove one of the chief causes of absenteeism, conserve shipping space, and prevent the waste of untold amounts of money and huge quantities of food, coal, iron, rubber, and gasoline; to the Committee on the Judiciary.

3009. By Mr. COCHRAN: Petition of George Valltos, of Washington, D. C., and 49 other Washington, D. C., citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3010. Also, petition of Mrs. A. Schmutzer, of Washington, D. C., and 20 other citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3011. Also, petition of Albert Schmutzer, of Washington, D. C., and 20 other citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3012. Also, petition of John Bowers, of Washington, D. C., and 40 other citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3013. Also, petition of Leo Santos, of Washington, D. C., and 20 other citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3014. Also, petition of Mrs. Caylor and 23 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3015. Also, petition of Joe Cassulo and 22 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3016. Also, petition of Tom Bellino and 23 other citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3017. Also, petition of E. Hahn and 23 other citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3018. Also, petition of Adam Kohl and 20 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3019. Also, petition of Edward Wedel, of St. Louis, Mo., and 19 other St. Louis citizens,

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued November 9, 1943, for actions of Monday, November 8, 1943)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT. Banking and Currency Committee reported without amendment H. R. 3477, the Steagall Commodity Credit bill (H. Rept. 846) (p. 9410). (For bill's provisions see Digest 155.)
2. SUBSIDIES; PRICE CONTROL; FOOD ADMINISTRATION. Rep. Phillips, Calif., criticized subsidies, price, and food administration, stating, "In the American program of the last war, and in the British program of this war, the basic emphasis was laid on the matter of production," and urging "immediate passage... of H. R. 2837," Rep. Fulmer's bill providing for central responsibility for the production and distribution of food (pp. 9380-82).
Rep. Patman, Tex., spoke favoring subsidies, and inserted "some interesting prophecies" and a WEA statement, "Questions and Answers on Agricultural Subsidies" (pp. 9382-86).
Rep. Dilweg, Wis., described "The Payment of Subsidies Under the Canadian Price Ceiling," stating, "The importance of effective price control as a factor in stabilizing labor costs cannot be overemphasized" (pp. 9393-9403).
Rep. Jonkman, Mich., criticized subsidies, urged consideration of legislation providing "for the appointment of a single food administrator," and inserted a report of the Republican Food Study Committee (pp. 9404-08).
3. FORESTRY; RUBBER. Rep. Coffee, Wash., criticized the "bureaucratic muddling" of the investigation of the Puget Sound Pulp & Timber Co. proposal to produce alcohol for synthetic rubber (pp. 9408-09).
4. WAR RELOCATION. Rep. Rolph, Calif., urged support of H. Res. 132, to create a special committee to investigate the Japanese situation on the West coast (p. 9377).
5. PETROLEUM PRICES. Rep. Vursell, Ill., criticized OPA's recent denial for increased petroleum price ceilings (pp. 9378-80).
6. FOOD FOR EUROPE. Received petitions from sundry Pa. and Mich. citizens favoring H. Res. 117, favoring the shipment of food for the starving children of Europe (p. 9410).

7. CROP INSURANCE. Received an Idaho farmers' petition favoring legislation to continue FCIC (p. 9411).

ITEMS IN APPENDIX

8. OLEOMARGARINE TAXES. Rep. Sparkman, Ala., inserted a Washington Post editorial and a Christian Science Monitor editorial favoring the repeal of oleomargarine taxes (p. A5061).
9. DAIRY AND LIVESTOCK FEED. Rep. Walter, Pa., inserted P. T. Kistler's article which reviews the feed industry, which states "We all know a rather serious situation may exist, yet it seems far from being hopeless...the Government...is doing everything possible to improve the feed situation" (pp. A5069-70).
10. SUBSIDIES. Extension of remarks of Rep. Crawford, Mich., opposing food subsidies (pp. A5070-71).
Rep. Mason, Ill., inserted a Chicago Daily Tribune editorial criticizing food subsidies (p. A5076).
11. FOOD ADMINISTRATION. Rep. Plumley, Vt., inserted the recommendations and resolutions of the New England agriculture commissioners to the New England Governors favoring price readjustments for various commodities and continuation of the Extension Service program and opposing food subsidies (p. A5078).
12. SELECTIVE SERVICE; PERSONNEL. Extension of remarks of Rep. Harness, Ind., criticizing the recent White House statement on Federal personnel deferments as a "red herring designed to divert attention from the fact that Federal employment practices have unduly influenced the operation of our draft machinery" (pp. A5063-64).
13. POST-WAR PLANNING. Rep. Knutson, Minn., inserted Herbert Hoover and Hugh Gibson's article, "A New Way to Make Peace," which proposes a "cooling-off period" after the war during which time the "people must have food, or anarchy will run rampant" (pp. A5065-67).
Rep. Andersen, Minn., inserted F. J. Sell's article, "When This War Is Over, Then What?" stating, "Agriculture must be kept on a sound paying basis and small business...should be encouraged and protected" (pp. A5068-69).

BILLS INTRODUCED

14. IMMIGRATION; EMPLOYMENT. By Rep. Allen, La., H. R. 3631, to suspend the immigration of aliens into the U. S. from the end of hostilities of the present war until the number of unemployed persons, including U. S. war veterans, within the U. S. is less than 1,000,000. To Immigration and Naturalization Committee. (p. 9410.)
15. PUBLIC LANDS. By Rep. Bennett, Mo., H. R. 3632, to amend the act "to reorganize the General Land Office". To Public Lands Committee. (p. 9410.)
16. EDUCATION; VETERANS. By Rep. Rankin, Miss., H. R. 3634, to amend the Veterans Regulations to make further provision for the education of honorably discharged World War No. 2 veterans. To World War Veterans' Legislation Committee. (p. 9410.)

For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

American material to go into a Canadian company, and were denied to a company in the United States. It seems strange, to say the least, that an abundance of strategic material was found to install alcohol-producing plants for the petroleum corporations, and for the distillation of alcohol from grain and sugar, but none could be found to produce alcohol from this waste material that is alleged to be polluting the streams and destroying our fish life.

SULFITE WASTE PULP LIQUOR ALCOHOL MUCH CHEAPER

Second. Objection was made to the fact that the plant would cost \$1,500,000 and would produce only 2,500,000 gallons of alcohol per year. It was alleged that a plant costing \$1,500,000, and using wheat, corn, or sugar, could produce approximately 15,000,000 gallons a year. But let us analyze that a little. It takes about 16 pounds of sugar, or its equivalent in sirup, to produce 1 gallon of alcohol, and with sugar at 2½ cents a pound wholesale, that makes a raw material cost of about 40 cents a gallon. Wheat and corn, in round numbers, are selling at above \$1 a bushel. A bushel of corn or wheat will produce 2½ gallons of alcohol. So there is at least 40 cents raw material cost. This company offered to sell alcohol at 20 cents a gallon to the Government, which is 50 percent of the minimum raw material cost of producing alcohol from farm products or sugar.

Careful estimates show that the amount of sugar contained in this waste sulfite liquor and poured into our streams and lakes amounts to about 450,000 tons of sugar per year. Apparently, our bureaucrats thought it would be sound economy to continue this wasteful process, and, at the same time, put our housewives on a sugar-rationed basis.

Likewise, at a time when the traffic on our railroads and other transportation systems are carrying a heavier burden than at any other time in their history, we have thought it wise to add to that already heavy load by transporting wheat, grain, and molasses to convert those products into alcohol. I do not wish to burden you with a lot of statistics, but let me state briefly that 1,400,000 tons of molasses will produce approximately 100,000,000 gallons of alcohol, about one-fifth of our present requirement. To transport 1,400,000 tons of molasses annually from Cuba would require the use of 14 standard cargo boats of about 10,000 tons each.

ROSTEN UPHOLDS SULFITE LIQUOR ALCOHOL

I quote from the testimony before the Gillette committee of Dr. Rosten, an eminent scientist, who built a number of alcohol-producing plants in Poland and is now doing similar work for Canada:

To build 14 ships we need 50,000 tons of steel and about 1,000 tons of base materials. On the other hand, to build 50 alcohol plants for sulfite liquor about 10,000 tons of steel and 2,000 tons of base materials are necessary. (Using cast iron for distillation columns, we would be able to save about 1,000 tons of base materials.) Besides all this the danger of submarine attack for the

alcohol plants is out of the question. If, instead of molasses, grain is used, 1,200,000 tons of transportation will be required. In the production of alcohol from waste sulfite liquor, the problem of transportation need not be considered, as factories should be built where the raw material is to be obtained, namely, in the neighborhood of the pulp mills.

NO GRAIN SURPLUS NOW

Our Government has many other uses for alcohol than making rubber. It is used in explosives, and meets many other governmental requirements. I quote from remarks made by Congressman DAN REED of New York, on the floor of the House, on March 11, 1942, just about 30 days after this application was filed:

Mr. Chairman, I just want to clear away all this alarm about this surplus so far as grain is concerned. Here are some figures brought out in the hearing before our committee today which I think will be of interest.

It requires 55 gallons of alcohol to dehydrate the necessary amount of powder to fire a 16-inch shell. To produce 1 gallon of alcohol requires 16½ pounds of raw sugar. To fire a 16-inch gun once is equivalent to the firing of 907½ pounds of raw sugar. Every time you fire a 16-inch gun you fire 22 bushels of corn, the amount necessary to dehydrate the powder contained in a 16-inch shell.

When you consider your surplus and realize the magnitude of this war, you will see what is going to happen to this surplus.

SULFITE LIQUOR ALCOHOL HAS OTHER USES

The Scandinavians drink this alcohol. They call it "half and half"—one-half alcohol and one-half water. It is also used by the Scandinavians to increase the octane rating of their gasoline. Roughly, each 1 percent of alcohol added to gasoline increases the rating by 1 octane.

I do not know how much money the Government has spent for alcohol since Pearl Harbor, but it is a colossal sum, and, according to a statement made by Senator GILLETTE the other day, \$650,000,000 have been spent in plant equipment to produce artificial rubber, most of which is made from alcohol.

The production of alcohol from waste sulfite liquor in the United States is a tremendous potential industry. The pulp plants in the States of Oregon and Washington alone could produce more than 40,000,000 gallons of ethyl alcohol per year from this source, at a cost of 20 cents a gallon. There are pulp mills also in many of the Midwestern States, and the northeastern and southern coastal States.

PULP ALCOHOL SHOULD BE CREATED NOW

Think of the effect of the production of this alcohol on rubber. Each gallon of alcohol would produce 2½ pounds of rubber—the type of rubber used for automobile tires. I do not know what the conversion cost would be, but with alcohol at 20 cents a gallon, the raw material cost of rubber would be about 8 cents a pound. Today we are carrying rubber to the United States from West Africa and from South America by airplane and by steamer from Ceylon. I would make a rough guess that it is costing more than 8 cents a pound for transportation. In normal times, natural crude rubber sells at approximately \$1 per pound.

AN ANTIPOLLUTION PROGRAM ALSO

There is still another point to be considered. It is pretty generally charged that the distribution of this waste sulfite liquor into the rivers and streams and coastal waters has a destructive effect on the fish life, and the pulp companies are constantly harassed with damage suits for the destruction of the oyster beds and other fisheries. Both judicial and lay opinion is divided as to whether this waste sulfite liquor is destructive of fish life. The establishment of these alcohol plants would remove the controversy, and if it is true that fish are being destroyed, in these days of food rationing, that would simply mean another extra dividend.

CANADA AHEAD OF UNITED STATES AGAIN

The cold fact is that Canada has started on a project that is susceptible of producing from \$20,000,000 to \$30,000,000 worth of alcohol a year, and alcohol is a very essential material, not only to the prosecution of the war, but to the maintenance of thousands of industrial enterprises after the war is over. In the meantime, the United States has simply dawdled along and done nothing because of the blundering incapacity of the bureaucrats we have in office.

Again, I say, please do not misunderstand me. I am not blaming the Canadians. I think the Canadians are smart—in any event, they have outsmarted us in this particular case. But, in the language of my friend, Senator CHAVEZ, "What, may I ask, is wrong with being for America first?"

Nor, do I wish to be too inclusive in my condemnation of the bureaucrats, for, to my personal knowledge, Mr. Harold Ickes, Secretary of the Interior, and representatives of the Bonneville Power Administration, have done everything they possibly could to bring about the construction of plants to produce alcohol from waste sulfite liquor in this country.

The burden of my complaint is that by developing the production of alcohol from waste sulfite liquor, this country would have eliminated to a considerable extent the sugar shortage; would have furnished us alcohol at less than one-half than we have been paying for it; would have eliminated the use of about 1,000,000 tons of shipping or railroad transportation; and solved, in part at least, the difficult pollution problem in the pulp industry.

The SPEAKER. The time of the gentleman from Washington has expired.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 962. An act for the relief of Mr. and Mrs. Frank Holehan; to the Committee on Claims.

S. 1077. An act for the relief of William A. Haag; to the Committee on Claims.

S. 1225. An act granting a pension to Constance Eager; to the Committee on Invalid Pensions.

S. 1288. An act for the relief of Luther Thomas Edens; to the Committee on Claims.

S. 1373. An act to authorize the Secretary of War to convey to the people of Puerto Rico for school purposes a certain building and lot

known as the Mayaguez Barracks Military Reservation now under the jurisdiction of the War Department; to the Committee on Military Affairs.

BILL PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on November 6, 1943, present to the President, for his approval, a bill of the House of the following title:

H. R. 2859. An act to amend the Naval Reserve Act of 1938, as amended.

ADJOURNMENT

Mr. COFFEE. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Tuesday, November 9, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(Tuesday, November 9, 1943)

There will be a meeting of the subcommittee at 10 a. m. on Tuesday, November 9, 1943, for consideration of H. R. 3140.

COMMITTEE ON PATENTS—NOTICE OF POSTPONEMENT OF MEETING

(Tuesday, November 9, 1943)

The executive session scheduled for today by the Committee on Patents was postponed until Tuesday, November 9, 1943, in the committee room, 416 House Office Building, at 10:30 a. m. Proposed legislation by the National Patent Planning Commission will be discussed.

COMMITTEE ON RIVERS AND HARBORS

(Tuesday, November 9, 1943)

The Committee on Rivers and Harbors will meet Tuesday, November 9, 1943, at 11 a. m., to resume hearings on House Joint Resolution 148, a joint resolution to permit the diversion of waters from Lake Michigan to safeguard the public health.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, November 9, 1943)

There will be a meeting of Daylight Saving Time Subcommittee of the Committee on Interstate and Foreign Commerce, at 10:00 o'clock a. m., Tuesday, November 9, 1943.

Business to be considered: Hearing on H. R. 875 to restore standard time during months of January, February, November, and December.

COMMITTEE ON THE JUDICIARY

(Wednesday, November 10, 1943)

Subcommittee No. 2 of the Committee on the Judiciary will conduct hearings on H. R. 786, a bill to amend section 40 of the United States Employees' Compensation Act, as amended (to include chiropractic practitioners) at 10 a. m. on Wednesday, November 10, 1943, in room 846, old House Office Building, Washington, D. C.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, November 10, 1943)

There will be a meeting of the committee at 10:30 a. m. on Wednesday, November 10, 1943, on H. R. 2522 and 2832.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON of Florida: Committee on the Public Lands. S. 364. An act to authorize the Secretary of the Interior to settle certain claims; without amendment (Rept. No. 845). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 3477. A bill to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes; without amendment (Rept. No. 846). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 3597) granting a pension to Ole M. Anderson, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ALLEN of Louisiana:

H. R. 3631. A bill to suspend the immigration of aliens into the United States from the end of hostilities of the present war until the number of unemployed persons, including United States war veterans, within the United States is less than 1,000,000; to the Committee on Immigration and Naturalization.

By Mr. BENNETT of Missouri:

H. R. 3632. A bill to amend the act of July 4, 1836 (5 Stat. 107), entitled "An act to reorganize the General Land Office"; to the Committee on the Public Lands.

By Mr. POULSON:

H. R. 3633. A bill to permit the naturalization of Filipinos who served in the World War; to the Committee on Immigration and Naturalization.

By Mr. RANKIN:

H. R. 3634. A bill to amend part VII of Veterans Regulation No. 1 (a), as amended, to make further provision for the education of honorably discharged World War No. 2 veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. VINSON of Georgia:

H. R. 3635. A bill to amend section 11 of the act of March 4, 1925, relating to the compensation, pay, and allowances of the Marine Band; to the Committee on Naval Affairs.

By Mr. BELL:

H. J. Res. 189. Joint resolution to provide for the continuation of the government of the Philippine Islands; to the Committee on Insular Affairs.

By Mr. JARMAN:

H. Res. 348. Resolution authorizing the printing of the manuscript entitled "Chronology of Major International Events from 1931 Through 1943, with the Ostensible Reasons Advanced for the Occurrence Thereof," as a House document; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GEARHART:

H. R. 3636. A bill for the relief of Josephine Guidoni; to the Committee on Claims.

By Mr. MERROW:

H. R. 3637. A bill granting a pension to Eliza Manzer; to the Committee on Invalid Pensions.

H. R. 3638. A bill for the relief of Osborn Rollins; to the Committee on Military Affairs.

By Mr. MANSFIELD of Texas:

H. R. 3639. A bill for the relief of Herman Weinert, Jr., M. D.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3470. By Mr. GRAHAM: Petition of 25 citizens of Butler, Pa., urging the passage of House Resolution 117, in order to authorize the United States to forward food and necessary supplies to those unfortunate children, who are suffering from hunger in the occupied countries of Europe; to the Committee on Foreign Affairs.

3471. By Mr. GREGORY: Petition presented by E. B. Nall, of Paducah, Ky., representing 54 members of the West End Baptist Church of Paducah and the Margaret Hank Memorial Cumberland Presbyterian Church of Paducah, supporting House bill 2082, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on Military Affairs.

3472. By Mr. COCHRAN: Petition of the Henry Levison National Defense Committee, American Legion, Department of Missouri, and signed by 170 St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3473. Also, petition of Mr. W. L. Newell and 66 other citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3474. Also, petition of the Painters District Council, No. 2, and signed by 17 St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3475. Also, petition of Anheuser-Busch, Inc., Post No. 299, the American Legion, and signed by 46 St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3476. Also, petition of the Ramsey Accessories Manufacturing Corporation, tool and die department, and signed by 20 St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3477. By Mr. ANGELL: Petition of the members of the Berean Sunday School Class of the First Methodist Church of Portland, Oreg., asking for enactment of House bill 2082; to the Committee on the Judiciary.

3478. By Mr. WOLCOTT: Petition of 22 members of the Richmond Woman's Club, Richmond, Mich., expressing interest in House Resolution 117, which seeks to give aid to the starving children of Europe; to the Committee on Foreign Affairs.

3479. By Mr. LEWIS of Ohio: Petition of Mary E. Acton and 61 other residents of Bethesda, Ohio, and nearby villages, urging

CONTINUING THE COMMODITY CREDIT CORPORATION AS AN AGENCY OF THE UNITED STATES

NOVEMBER 8, 1943.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. STEAGALL, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 3477]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION BY SECTIONS

Section 1 provides for a revision in the basis of the annual appraisal of the assets of the Commodity Credit Corporation by the Treasury. This revision is made as a matter of simplification. It seems more appropriate for the appraisal to be made on June 30 each year since that is the closing date of the fiscal year. The new basis for appraisal provided by this section is cost at the time of appraisal, or the average market prices during the last month of the fiscal year, whichever is lower, rather than cost plus a year's carrying charges or the average market price for 12 months, whichever is the lower.

Section 2 extends the life of the Commodity Credit Corporation as an agency of the Government to June 30, 1945, or such earlier date as may be fixed by the President by Executive order. Section 2 further provides for an audit of the capital fund operations of the Commodity Credit Corporation by the General Accounting Office. It is provided that this audit shall be made in accordance with principles applicable to commercial corporate transactions. Since the establishment of the Corporation in 1933, its capital-fund operations have been subjected

to a commercial type of audit by the Reconstruction Finance Corporation as an incident to the financial relationship between the two corporations. In addition, many of the capital-fund operations which are carried out through the facilities of the Federal Reserve banks have also, because of the interest of the banks in these operations, been subjected to a commercial type of audit by these banks. Moreover, pursuant to the act of March 8, 1938 (52 Stat. 107, as amended), the Treasury Department makes an annual appraisal of the assets and liabilities and a determination of the net worth of the Corporation and reports the same annually to Congress. The administrative expenses of the Corporation are audited by the General Accounting Office in accordance with the regular governmental type of audit as required by the appropriation act making funds of the Corporation available for these expenses. This audit of administrative expenses by the General Accounting Office is not disturbed by the bill, but the audit of the capital-fund transactions provided by this bill could replace the commercial type audit made by the Reconstruction Finance Corporation.

As an incorporated agency of the United States the Commodity Credit Corporation follows business methods and procedures in the performance of its functions rather than the customary pattern of Government department or bureau operations. Flexibility in operation, an essential attribute of the corporate form of organization, is indispensable to the accomplishment of the functions and objectives for which Congress has directed that the Commodity Credit Corporation be employed. The War Food Administration and the Comptroller General of the United States agree that the regular governmental type of audit is not adaptable to the capital fund operations of the Commodity Credit Corporation.

In general, the purpose of the governmental type of audit is to determine the validity of expenditures under appropriations made by the Congress, in the light of restrictions and limitations placed by the Congress generally upon the expenditure of appropriated moneys. It is a part of a system designed to enforce the personal accountability of governmental officers authorizing or expending those funds upon the basis of documents and records usually submitted to the General Accounting Office and retained in its custody. In contrast, the commercial type of audit is separate and apart from the accounting system and internal financial control of the Corporation and is designed to determine the true financial condition of the Corporation as of a given date and the results of its financial operations during the period covered by the audit, as well as establishing whether the funds of the Corporation have been regularly expended in accordance with operate authorization. These determinations are made by detailed examination of the operating and financial records of the Corporation at the places where they are being used in the conduct of corporate business.

The Commodity Credit Corporation's fiscal responsibility is vested in the Corporation and not in the individual fiscal agents. In other words, the fiscal agents are responsible to the Corporation, which in turn is liable to the Federal Government for the Government's investment in the Corporation. The examination of the individual accounts of particular fiscal agents with a view to external control and settlement would not facilitate a determination of the financial standing or

progress of the Corporation as a whole. Such an examination would, as a matter of fact, seriously interfere with the Corporation's internal financial management and impair the flexibility which is the very basis of the Corporation's existence.

The fundamental difference between the two types of audit, and the inadequacy of the governmental type of audit as applied to capital-fund operations of the Corporation, may be more clearly seen from a comparison of the procedures involved.

The governmental type of audit generally involves the following seven steps:

1. The fixing of the amount for which the disbursing officer is accountable under his bonded responsibility by reason of the advance of funds under particular appropriations upon accountable warrants and by reason of collections received by him;

2. The submission by the designated disbursing officer to the General Accounting Office for audit and settlement of an account supported by certified vouchers and by other original papers evidencing specific payments which he has made from the particular funds charged to him;

3. The examination by the General Accounting Office of these vouchers and other original supporting papers to determine whether the payments covered thereby were properly authorized and whether the expenditures represent valid obligations of the Government under the specific appropriation sought to be charged;

4. The settlement by the General Accounting Office of the disbursing officer's account and the determination of his liability to the United States;

5. The determination of the liability to the United States of the officer certifying for payment the items included in the disbursing officer's account;

6. The preparation and issuance of certificates of settlement incorporating all unexplained or unadjusted differences developed in the examinations of the accounts; and

7. The institution of collection proceedings if the accountable officer fails to pay over any balances found due from him in the settlement.

The commercial type of audit ordinarily made of large business corporations usually involves the following seven steps:

1. The establishment of the authorities of the various officers and employees by reference to the original articles of incorporation, bylaws, minutes of the board of directors, and other official authorizations taken in the name of the Corporation;

2. The verification, through appropriate checks, of the original general and subsidiary ledgers by comparison of original collection and disbursement documents with such ledgers and, in connection with this, the determination that all actions reviewed are properly authorized;

3. The verification from the original accounting records and supporting documents of the accuracy of all items appearing on the balance sheet, including verification of all cash on hand and in banks, and when needed, positive establishment of the existence of assets by physical inventory methods or through inquiries addressed to debtors and the determination of actual liabilities through inquiries addressed to creditors;

4. The review and establishment of the accuracy of any operating statements to determine that they clearly indicate the financial progress of the Corporation during the period covered by the audit, including proper reflection of any profits made or losses suffered;

5. Determination, in light of the actions by the board of directors and any changes in the policies of the Corporation, that proper records are established and necessary safeguards developed correctly to reflect the financial operations of the Corporation and to protect the Corporation from financial loss which can be prevented by proper and adequate records and procedures;

6. The preparation of a report covering the audit, including certified financial statements and comments deemed appropriate by the auditor, such as recommendations for changes in the accounting procedure and records, errors still uncorrected at the completion of the audit, analysis of facts brought out in the financial statements, and the submission of such a report to the officials ordering the audit; and

7. The institution of corrective action by the corporate management.

Aside from the more fundamental differences in approach and purposes apparent between these two systems, it should also be noted that the nature of the capital fund operations of the Corporation is such that it is impractical, if not impossible, to assemble in one place the original vouchers and other original papers supporting the capital fund operations of the Corporation and still permit the Corporation to carry out the business responsibilities imposed upon it by the Congress. For example, papers supporting particular transactions such as warehouse receipts, bills of sale, etc., must, in many cases, be retained by the Corporation at particular locations for continued use in connection with the original transaction. In other cases, these original documents are required to be recorded and held in public offices or deposited with banks or other institutions. As a further example, notes purchased by the Commodity Credit Corporation, evidencing borrowings by farmers and others, are required to be deposited with the banks at which the notes are to be paid for eventual surrender upon payment.

The regular governmental type of audit deals solely with the receipt and expenditure of funds. In the case of the Commodity Credit Corporation, which has large stocks of commodities on hand, large amounts of receivables and payables and similar items that develop as a result of the commercial nature of its operations, an audit dealing with only the cash receipts and expenditures is totally inadequate. The commercial type audit as outlined above covers the entire financial operation and is the only type which will provide, in the opinion of the War Food Administrator and the Comptroller General, an adequate audit and a comprehensive report for this Corporation.

Although the Corporation has had the benefit of a commercial type of audit of its capital fund operations in the past by the Reconstruction Finance Corporation and also in some instances by the Federal Reserve banks, it recognizes the desirability of having that audit performed by the public auditor, the General Accounting Office. The General Accounting Office also recognizes the desirability of performing this type of audit for the Corporation, but considerable doubt is entertained whether it is authorized to do so under existing legislation. On the other hand, considerable doubt is entertained

whether the Commodity Credit Corporation is authorized to permit a regular governmental type of audit of its capital fund operations. Accordingly, the Congress is asked to resolve these doubts by specifically authorizing the General Accounting Office to make an audit of the capital fund operations of the Commodity Credit Corporation in accordance with the principles applicable to commercial corporate operations, as provided in section 2 of the bill.

Section 3 of the bill prohibits the use of any funds by the Commodity Credit Corporation or any other governmental agency, including any Government-owned or Government-controlled corporation, from making any subsidy or other payment or to absorb losses on any agricultural commodity or commodity processed, or manufactured in whole or substantial part therefrom, including livestock and products thereof, for the purpose of reducing, maintaining, or in lieu of increasing maximum prices, except as to perishable commodities in danger of substantial loss by deterioration by spoilage as provided in section 4. However, the section provides that subsidy programs and support prices announced on or before October 13, 1943, may continue to be paid from funds available under existing law but not beyond December 31, 1943. Therefore this section prohibits new consumer-subsidy programs from being announced and prohibits payments on existing consumer-subsidy programs subsequent to December 31, 1943. This section does not prohibit nor interfere with any operation of the Commodity Credit Corporation or any other agency of the Government with respect to producer subsidies or loans authorized under existing law, including the Emergency Price Control Act of 1942 as amended and supplemented by Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and it does not prohibit or interfere with support prices or the use of Commodity Credit funds made available to the Commodity Credit Corporation by existing law, including section 4 of Public Law 147, approved July 1, 1941, as amended.

The section provides that support prices shall continue to be announced for any such agricultural commodities pursuant to section 4 of Public Law 147, approved July 1, 1941, as amended and further provides that loans shall continue to be made pursuant to section 8 of Public Law 729, approved October 2, 1942. The section provides, however, that maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below prices specified in section 3 of Public Law 729, approved October 2, 1942. Payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oil seeds are exempted from and unaffected by section 3 of this bill.

Section 4: Although no definition is made in this section of what constitutes perishable fruits and vegetables, it is the understanding of the committee that perishable fruits and vegetables are all vegetables for fresh market, including potatoes and sweetpotatoes, and all varieties and kinds of fruit. Vegetables for processing are also perishable if adequate processing facilities do not exist.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be

omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Section 1 of Act of March 8, 1938 (Public Law No. 442, 75th Cong.), as amended (Public Law No. 147, 77th Cong.)

That as of the **[31st of March]** *30th of June* in each year and as soon as possible thereafter, beginning with March 31, 1938, an appraisal of all the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the net worth of the Commodity Credit Corporation shall be made by the Secretary of the Treasury. The value of assets shall, insofar as possible, be determined **[on the basis of the cost, including not more than one year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of twelve months ending with March 31 of each year, whichever is less;]** *on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower;* and a report of any such appraisal shall be submitted to the President as soon as possible after it has been made. In the event that any such appraisal shall establish that the net worth of the Commodity Credit Corporation is less than \$100,000,000, the Secretary of the Treasury, on behalf of the United States, shall restore the amount of such capital impairment by a contribution to the Commodity Credit Corporation in the amount of such impairment. To enable the Secretary of the Treasury to make such payment to the Commodity Credit Corporation, there is hereby authorized to be appropriated annually, commencing with the fiscal year 1938, out of any money in the Treasury not otherwise appropriated, an amount equal to any capital impairment found to exist by virtue of any appraisal as provided herein.

Section 7 of Act of January 31, 1935 (Public Law No. 1, 74th Cong.) as amended (Public Law No. 2, 75th Cong.; Public Law No. 3, 76th Cong.; Public Law No. 147, 77th Cong.; Public Law No. 151, 78th Cong.)

SEC. 7. (a) Notwithstanding any other provision of law, Commodity Credit Corporation, a corporation organized under the laws of the State of Delaware as an agency of the United States pursuant to the Executive order of the President of October 16, 1933, shall continue, until the close of business on **[December 31, 1943,]** *June 30, 1945,* or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the Secretary of Agriculture and the Governor of the Farm Credit Administration are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of Commodity Credit Corporation, and the corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency, including the making of loans on agricultural **[commodities.]** *commodities: Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.*

(b) *The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: Provided, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: Provided further, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of one fiscal year: Provided further, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the Act of March 8, 1938 (52 Stat. 107), as amended: Provided, however, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.*

(c) *The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the*

Comptroller General: Provided, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: Provided further, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions.

MINORITY VIEWS ON SECTION 3 OF H. R. 3477

THREATENED INFLATION AND INCREASE IN THE HIGH COST OF LIVING

The objection of the undersigned members of the Banking and Currency Committee is to section 3 of H. R. 3477. Section 3 should be either stricken from the bill or substantially amended. The present provisions forbidding with minor qualifications the further use of subsidies would preecipitate inflation.

The use of subsidies is not desirable and should be restricted both as to amount and as to scope. Subsidies are, however, a weapon against inflation and, although undesirable, are vastly preferable to an inflated economy.

Congress directed the President to stabilize prices and wages substantially as of September 15, 1942. The date was arbitrary and the freezing order preserved whatever inequities as to income and prices that were in effect at that time. Any date which Congress might have selected would have been equally arbitrary and equally harmful to some in less favored groups. With minor exeptions wages have been stabilized as to basic rates which were geared to the increase in living costs.

The only protection against increased wages is the maintenance of the present price structure. If prices are increased, demands for increased wages will follow immediately. If these demands are resisted production of essential war equipment will be impaired. The Price Control Act ties wages to prices. One cannot rise without the other.

The payment of subsidies is the only method by which the cost of living can be kept down and at the same time the production of essential food encouraged. The support prices which the Government guarantees the farmers and processors secure those persons against loss and encourage production. Due to the war farmers have been burdened with increased costs and hardships in producing foods. The support prices have been placed sufficiently high to compensate for these difficulties. In many cases these support prices are higher than the present ceiling prices. If adequate support prices are to be paid to the farmer and processor and if the cost of living is to be stabilized to the consumer, the method of Government subsidy must be used. These two desirable ends cannot be attained by any other method. If support prices are reduced, production of essential foods will be lessened. If subsidies are forbidden and the cost of living is allowed to rise, wages will go up and inflation will occur. If inflation occurs the cost of the war to American taxpayers will be increased far beyond the amount they are now asked to pay for subsidies. The War bonds in the hands of the public will be paid off with depreciated dollars. The Nation's total wage bill is \$100,000,000,000 a year. A 10-percent increase in the cost of living will increase this national wage by \$10,000,000,000. The Government itself, being the largest consumer of war goods, would pay 55 percent of this total bill or about

5½ billion dollars. The price increase could not be restricted to those goods upon which subsidies are now paid. Once the line is broken a general increase in food prices would result. The farmer, the worker, and industry exert tremendous pressure against the stabilization program. If a breakthrough occurs at any one point all controls are threatened.

Furthermore, those leaders of farm groups who have been active in support of section 3, are injuring the cause of the farmers themselves. For if inflation occurs, the price of commodities purchased by the farmer will pyramid, and his life savings will be swept away.

The price of more than 24 basic and primary food items will immediately increase from 4 to 20 percent if subsidies be abolished. Round steak will be raised 5.2 cents, other meats in proportion. The price of butter will be increased 5 to 9 cents a pound, canned vegetables 1.4 cents, sugar 1 cent, dry edible beans 1 cent. The total food index will be increased 7.294 percent; the general cost of living index 3.034 percent. This increase in the cost of living index and in the food index does not take into account the increase in the price of commodities upon which a subsidy is not being allowed. It will obviously be far greater if all food prices increase.

An increase in the cost of living will be most cruelly felt by that considerable number of our citizens whose purchasing power has not been increased since the outbreak of the war. Approximately 25,000,000 workers have less purchasing power, less real wages than they had 4 years ago. Added to this is that group of people of fixed income, numbering over 8,000,000 and including those receiving public assistance, allotments, veterans pensions, and railroad retirement and civil-service pensions. There are in all over 33,000,000 people with whatever dependents they might have who are less able to meet living expenses than in August 1939. An increase in the living costs of this group would be unfair and, in many cases, unbearable. The recent increase in the allotments to soldiers' dependents will be of little use if the living costs of the dependents are increased. A vote for section 3 is a vote for an increased cost of living. In the opinion of the undersigned members it is also a direct vote for inflation.

In addition to the foregoing, section 3 of this bill would have certain effects which are perhaps not commonly recognized.

It would increase the cost to the Government of the food which it purchases for the war. This amounts to 30 percent of our entire food production.

The increase in cost to the consumer would be greater than the amount of subsidy saved by enactment of section 3. The increased price to the producers would be magnified by added margins and mark-ups by the time the product reaches the consumer.

Section 3 does not forbid all food subsidies. It specifically exempts vegetable fats, oils, and oilseeds which include margarine and vegetable shortening upon which a subsidy can still be paid.

Our domestic sugar which is 20 percent of our total consumption will increase in price 1 cent per pound. Sugar we import, 80 percent of our consumption, must consequently be raised in price an equal amount.

Support prices under existing law are fixed for the sole purpose of bringing out the maximum production of needed food items. Under

section 3, in the future the War Food Administrator would also have to take into consideration the impact upon the cost-of-living index in fixing support prices, since the new provision declares that ceiling prices must be as high as support prices. This unquestionably would lead to the lowering of many support prices now paid to the farmers.

Section 3 should be stricken out or substantially amended. Congress should retain its control of the food program. A specific dollars-and-cents limitation should be placed upon the amount which can be used for subsidies. New roll-back programs can be forbidden and the Commodity Credit Corporation thus directed to maintain the present prices rather than to decrease them. A reasonable time limitation can be placed upon the use of subsidies so that Congress may be given an opportunity of observing their effectiveness before agreeing to extend their use to a later date. But we cannot afford to abandon the weapon of subsidies and in so doing allow our economy to get out of hand.

JAMES A. WRIGHT.

THOMAS F. FORD.

WRIGHT PATMAN.

J. H. FOLGER.

A. S. MIKE MONRONEY.

MAURICE J. SULLIVAN.

BRENT SPENCE.

WILLIAM B. BARRY.

FURTHER MINORITY VIEWS

So far as the previous minority report favors striking out section 3 of the Commodity Credit Corporation bill, I am in accord with its purpose, though differing as to some of the reasons advanced.

Section 3 should be eliminated. I feel that its effect will be to further hamper and restrict the production of food. It would end subsidy payments on January 1, 1944, thus reducing the farmer's income at a season of the year when his costs are greatest. Subsidy payments now are being made for dairy products, but they are not sufficient to meet the increased cost of feedstuffs for farm animals which are not only higher in price, but difficult to obtain.

The subsidy allowances for dairy products are discriminatory. The payments for production of butter, cheese, and other manufactured dairy products are less than half the subsidies for whole milk. In consequence, production of butter and cheese is declining at an alarming rate. Also, larger subsidies are granted to the farmers of some States than those in sections of the country, in which production is greatest, tending further to reducing rather than increasing the supply of milk and milk products for our armed forces and our civilian population as well.

With all this injustice and discrimination, I believe that it would be unwise to further interfere with production by stopping subsidy payments at this time. Small and unfair as the payments may be to the farmers of the Northwest, to stop them now would be likely to further unsettle and disturb the situation as to the Nation's food supply.

The bill offers no substitute for the subsidy program. Whether or not one may agree with that program, nothing else is proposed in this measure. The situation of the dairy farmer probably is much the same as those in other lines of agriculture. The importance of obtaining cost of production plus a reasonable profit for agriculture becomes greater daily as the food supply of the Nation lessens, but there is nothing in this measure bearing on that point. The spread of costs between what the farmer receives and what the consumer pays is as great as ever. Subsidies as now allotted are far too limited to affect that angle. But, to the extent that subsidies are paid they must serve to at least aid in upholding production. With their ceiling prices arbitrarily fixed by a Government bureau and ration points by departmental edict, the dairy farmers need every encouragement which can be offered them. A program which may serve only in part is better than none at all.

Another feature provision of section 3 is that exception in lines 9, 10, 11, and 12 on page 6 of the bill which is almost peculiar. It would continue subsidy payments on domestic vegetable oils and fats and oilseeds. Some such vegetable oils are used in commodities directly competing with dairy products, and still section 3 would continue such subsidies while eliminating those for dairy products, a form of

subsidized competition not conducive to increasing production of butter and cheese.

There is every reason why the Commodity Credit Corporation should be continued, but this measure for its continuance should not be burdened with the obstructive methods embodied in section 3.

MERLIN HULL.



Union Calendar No. 294

78TH CONGRESS
1ST SESSION

H. R. 3477

[Report No. 846]

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 1943

Mr. STEAGALL introduced the following bill; which was referred to the Committee on Banking and Currency

NOVEMBER 8, 1943

Committed to the Committee of the Whole House on the state of the Union
and ordered to be printed

A BILL

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Act approved March 8, 1938 (52 Stat.
4 107), as amended, is hereby amended by deleting from
5 the first sentence thereof the term "31st of March" where
6 that term first appears therein and substituting in lieu
7 thereof the term "30th of June", and by deleting from
8 the second sentence thereof "on the basis of the cost, includ-
9 ing not more than one year of carrying charges, of such

1 assets to the Corporation, or the average market prices of
2 such assets for a period of twelve months ending with March
3 31 of each year, whichever is less” and inserting in lieu
4 thereof “on the basis of the cost, or, insofar as practicable,
5 the average market price of such assets during the last
6 month of the fiscal year covered by the appraisal, which-
7 ever is the lower”. The first appraisal of the assets and
8 liabilities of the Commodity Credit Corporation on the basis
9 established by this amendment shall be made as of June 30,
10 1944.

11 SEC. 2. Section 7 of the Act approved January 31, 1935
12 (49 Stat. 4), as amended, is hereby amended by changing
13 the designation thereof to section 7 (a) ; by striking out in
14 the first sentence of such section “December 31, 1943” and
15 inserting in lieu thereof “June 30, 1945”; and by striking
16 out the period at the end of such section and inserting in lieu
17 thereof a colon and the following: “*Provided, however, That*
18 the Corporation shall at all times maintain complete and
19 accurate books of account and shall determine the procedures
20 to be followed in the transaction of the corporate business.

21 “(b) The financial transactions of the Corporation be-
22 ginning with the period from July 1, 1944, shall be audited
23 by the General Accounting Office in accordance with the
24 principles applicable to commercial corporate transactions
25 and under such rules and regulations as may be prescribed by

1 the Comptroller General of the United States: *Provided*,
2 That the Corporation shall continue to have the authority to
3 make final and conclusive settlement and adjustment of any
4 claims by or against the Corporation or the accounts of its
5 fiscal officers: *Provided further*, That a report of such audit
6 shall be made to the Congress, together with such recom-
7 mendations as the Comptroller General may deem advisable,
8 and that each such report shall cover a period of one fiscal
9 year: *Provided further*, That a copy of each such report
10 shall be furnished the Secretary of the Treasury and that
11 the findings contained therein shall be considered by the
12 Secretary in appraising the assets and liabilities and deter-
13 mining the net worth of the Corporation under sections 1
14 and 2 of the Act of March 8, 1938 (52 Stat. 107), as
15 amended: *Provided, however*, That nothing in this section
16 shall be construed as modifying legislation authorizing the
17 use of funds of the Corporation for administrative expenses
18 and requiring accountability therefor.

19 “(c) The expenses of the audit as provided in this sec-
20 tion may be paid up to and including June 30, 1946, from
21 moneys advanced therefor by the Corporation, or from any
22 appropriation or appropriations for the General Accounting
23 Office, and appropriations so used shall be reimbursed
24 promptly by the Corporation as billed by the Comptroller
25 General: *Provided*, That any such advances or reimburse-

1 ments shall be considered as nonadministrative expenses of
2 the Corporation. For the purpose of such audit the repre-
3 sentatives of the General Accounting Office shall have access
4 to all papers, books, files, accounts, financial records, ware-
5 houses, and all other things, property, and places belonging
6 to or under the control of or used or employed by the Cor-
7 poration and shall be afforded full facilities for verifying
8 transactions with the balances in depositaries and with fiscal
9 agents: *Provided, further,* That the certified financial reports
10 and schedules of the fiscal agents of the Corporation based on
11 commercial audits in the usual course of business may be
12 accepted by the General Accounting Office in its audit of
13 the financial transactions of the Corporation as final and not
14 subject to further audit verification.

15 “(d) Any examination of the corporate records shall be
16 made at the place or places where such records are normally
17 kept in the transaction of the corporate business, and the
18 Corporation shall retain custody of contracts, vouchers,
19 schedules, or other financial or accounting documents, either
20 original or duplicate, relating to its nonadministrative
21 transactions.”

22 SEC. 3. No funds appropriated to, borrowed by, or in
23 the custody or control of any governmental agency (includ-
24 ing any Government-owned or Government-controlled corpo-
25 ration) shall be directly or indirectly used by or made

1 available to the Commodity Credit Corporation or any other
2 governmental agency (including any Government-owned or
3 Government-controlled corporation) to make any subsidy
4 or other payment, or to pay or absorb losses, on any agri-
5 cultural commodity or any commodity processed or manu-
6 factured in whole or substantial part therefrom, including
7 milk and livestock and the products thereof, either to reduce
8 or maintain, or in lieu of increasing, maximum prices estab-
9 lished on such commodities, except as provided in section 4
10 hereof: *Provided*, That with respect to any such commodities
11 for which subsidy programs or support prices have been
12 announced on or before October 13, 1943, such programs may
13 be carried out and such support prices may continue to be
14 maintained to the extent only that funds are available for
15 such purpose under existing law, but not beyond December
16 31, 1943: *Provided further*, That support prices shall con-
17 tinue to be announced for any such commodities pursuant to
18 section 4 of Public Law No. 147, approved July 1, 1941,
19 as amended, and loans shall continue to be made pursuant
20 to section 8 of Public Law No. 729, approved October 2,
21 1942, but any maximum prices heretofore or hereafter estab-
22 lished for such commodities shall not be below the support
23 prices therefor or below the prices specified in section 3 of
24 Public Law No. 729, approved October 2, 1942: *Provided*
25 *further*, That none of the foregoing provisions shall apply

1 to any payments or losses incurred in transactions with respect
2 to competitive domestic vegetable oils and fats and oil seed.

3 SEC. 4. The Commodity Credit Corporation may sell at
4 a loss perishable fruits or vegetables, owned or controlled by
5 it, the increased production of which has been requested by
6 the War Food Administrator, if there is danger of substantial
7 loss through deterioration by spoilage.

78TH CONGRESS
1ST SESSION

H. R. 3477

[Report No. 846]

A BILL

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

By Mr. STEAGALL.

OCTOBER 18, 1943

Referred to the Committee on Banking and Currency

NOVEMBER 8, 1943

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, FIRST SESSION

Vol. 89

WASHINGTON, WEDNESDAY, NOVEMBER 10, 1943

No. 171

Senate

The Senate was not in session today. Its next meeting will be held on Friday, November 12, 1943, at 12 o'clock meridian.

House of Representatives

WEDNESDAY, NOVEMBER 10, 1943

The House met at 12 o'clock noon.

Father Michael S. Wasniewski, pastor, Holy Trinity Church, Pine Grove, Denmark, Wis., offered the following prayer:

Almighty and eternal God, Supreme Ruler of heaven and earth, Father of all mankind, look down from Thy heavenly throne upon us today here assembled in Thy presence. With a humble heart we acknowledge Thy supreme wisdom by which are guided the destinies of men individually and nations at large. We profess our weakness in comprehending things in the right sense and true light, unless we are enlightened by the Holy Spirit, who dispels all the darkness of our minds whenever there is a choice between right and wrong, as long as we are willing to adhere to the eternal and unchangeable laws of justice, fairness, mutual love, and universal brotherhood of all men and nations. We know we can accomplish these things if we follow the teaching of our Divine Master, Christ Jesus, who said, "I am the way, the truth, and the life. * * * If you abide in Me, and My words abide in you, you shall ask whatsoever you will, and it shall be done unto you." (John xv: 7.)

Inspired with this assurance of Thy Divine Son, we implore Thee, our Heavenly Father, to shower upon the representatives of our Nation the seven gifts of Thy Holy Spirit, that is, the gifts of wisdom and understanding, of counsel and fortitude, of knowledge and godliness and fear of the Lord, in order that all their deliberations and epoch-making decisions just now so important to the American Nation and to all liberty- and peace-loving people in all the world; that these men chosen by our American people, for the people, from among our people, may be courageously

guided by that Divine Light and secure for all nations a speedy victory and a lasting peace.

I see in spirit this very moment oppressed nations, poor widows, starving orphans, looking forward and praying amid abundant tears to this very place where we are just now assembled—the Capitol of our American Government—a standing symbol of the fatherhood of God and the brotherhood of man.

We, therefore, beseech Thee, our Creator and Conserver of the universe, who, in Thy divine wisdom, has allowed this terrible scourge of war to touch us, that Thou be unmindful of our past omissions, of our past indifference, of our past ingratitude; but that through the merits of the passion, death, and glorious resurrection of Thy Divine Son, and through the graces that Thou hast showered down upon us, we may again be found worthy in Thy sight of the heritage of our fathers.

We beseech Thee, after this chastisement by which we may be cleansed from the past dross of indifference, the guile of pettiness, and the pride of personal ambitions, we may, through the mutual cooperation with Thy divine grace, be firmly grounded in the principles of love of God and man, seeking first Thy kingdom—with that guarantee—that all other things shall be added unto us.

We ask this in the name of the Father, and of the Son, and of the Holy Ghost. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed without

amendment bills of the House of the following titles:

H. R. 244. An act for the relief of Morris Leff;

H. R. 273. An act to authorize settlement of individual claims of naval personnel for damage to private property shipped from Pearl Harbor, T. H., to San Francisco, Calif.;

H. R. 400. An act for the relief of Sigurd J. E. Wallstedt;

H. R. 560. An act for the relief of the Farrell-Argast Electric Co.;

H. R. 800. An act to provide for the issuance of a flag to the nearest relatives of certain persons who die in service in the land or naval forces of the United States;

H. R. 1049. An act for the relief of the estate of Hyman Wiener;

H. R. 1144. An act for the relief of Fred A. Flanders;

H. R. 1155. An act for the relief of Capt. Leland M. Mower and Lt. Percy K. Morrison;

H. R. 1202. An act to amend section 36 of the Criminal Code;

H. R. 1206. An act to amend an act entitled "An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments," approved August 14, 1937;

H. R. 1435. An act for the relief of Lillian C. Ferreira;

H. R. 1498. An act for the relief of Charles W. Ruckman;

H. R. 1555. An act for the relief of Arkansas Power & Light Co.;

H. R. 1622. An act to provide for a general term of the District Court for the District of Alaska at Anchorage, Alaska;

H. R. 1666. An act for the relief of Helen Engell Thompson;

H. R. 1769. An act for the relief of Mrs. Ina Mae Shipman;

H. R. 1887. An act for the relief of Harold E. Dalton;

H. R. 1889. An act for the relief of Andrew Williams;

H. R. 1918. An act for the relief of Edward A. Silvia;

H. R. 1920. An act for the relief of Marcus O. and Faye D. Rowland, the parents of George L. Rowland, deceased;

H. R. 2182. An act for the relief of John E. Haas;

H. R. 2244. An act for the relief of Frank and Nancy Foglia, parents of Frank Foglia, a minor, deceased;

H. R. 2600. An act for the relief of M. C. Roberts;

H. R. 2675. An act providing for payment to Nellie Starr McCorkle of accumulated leave accrued and payable to her deceased husband, Capt. John Ray McCorkle, under the act of August 1, 1941 (ch. 348, 55 Stat. 616; 5 U. S. C., sec. 61a);

H. R. 2824. An act for the relief of Alice Stamps and Henrietta E. Stamps;

H. R. 2905. An act for the relief of Walter R. Jones, Mrs. Norma S. McKinney, and Mrs. Elia Swenson;

H. R. 2915. An act for the relief of the Pacific Construction Co.;

H. R. 3331. An act for the relief of Harry L. Smith; and

H. R. 3366. An act to amend section 409 of the Interstate Commerce Act, relating to joint rates of freight forwarders and common carriers by motor vehicle.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 255. An act for the relief of Josephine M. Melchior;

S. 817. An act for the relief of George A. Rogers;

S. 921. An act for the relief of Mrs. Neola Cecile Tucker;

S. 932. An act to provide for the appointment of an additional district judge for the eastern district of Pennsylvania;

S. 949. An act for the relief of Mrs. Anna Runnebaum;

S. 1243. An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes;

S. 1278. An act for the relief of Yellow Cab Transit Co.;

S. 1290. An act for the relief of William Carroll Knox; and

S. 1447. An act to remit claims of the United States on account of overpayments to part-time charwomen in the Bureau of Engraving and Printing, and for other purposes.

The message also announced that the Acting President pro tempore had appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

Department of Agriculture.

Department of the Navy.

Department of War.

Executive Office of the President (Office for Emergency Management).

Veterans' Administration.

War Manpower Commission (Selective Service System).

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 247. An act for the relief of Richard P. Beale and Eva M. Beale;

H. R. 937. An act for the relief of Mittle Pearl Nanny;

H. R. 1973. An act for the relief of Albert Ferguson and Ozelle Ferguson;

H. R. 2190. An act for the relief of Marguerite R. McElroy; and

H. R. 3363. An act extending the time within which applications under section 722 of the Internal Revenue Code must be made.

The message also announced that the Acting President pro tempore had appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

Department of the Interior.

Department of Labor.

Department of the Navy.

Department of War.

Department of the Treasury.

Federal Works Agency.

SWEARING IN OF A MEMBER

Mr. REED of New York. Mr. Speaker, Mr. HADWEN C. FULLER, Representative-elect from the Thirty-second Congressional District of New York, is present and desires to take the oath of office. Inasmuch as there is no contest and no claim of irregularities in his election, I ask unanimous consent that the oath of office be now administered to him, notwithstanding the fact that his certificate of election has not yet arrived.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HADWEN C. FULLER, Representative-elect from the Thirty-second Congressional District of New York, appeared at the bar of the House and took the oath of office.

FULTON LEWIS, JR.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have addressed the following telegram to Mr. Miller McClintock, president of the Mutual Broadcasting System, New York:

Fulton Lewis, Jr., last night made a personal attack on me in connection with subsidies. I demand his time at an early date to answer him. Please advise me at once whether or not this will be arranged.

If the time is not arranged, as suggested, I expect to appeal to the Federal Communications Commission for an order requiring it.

SUGAR BEETS

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. OUTLAND. Mr. Speaker, for many weeks now the importance of the Department of Agriculture announcing the sugar-beet program for the coming year has been stressed. This is a matter of vital concern, not only to the farmers of California, where the planting season is already under way in many sections, but also to the entire country,

because it involves our whole food production program. I understand now that the sugar price will not be announced until after the Commodity Credit Corporation bill has been voted upon in this House. Personally I had hoped that at least a tentative program could have been announced before this—and had been informed that such a step was contemplated. However, every additional day's delay now is an additional handicap to our beet program, and if the Commodity Credit bill must first be passed, let us by all means expedite its discussion. I am certain that such speedy action will meet not only with the approval of the members of the entire California delegation, regardless of party, but also that of the great majority of the membership of the House.

TRIBUTE TO OUR PACIFIC SUBMARINE FLEET

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. THOMAS of Texas addressed the House. His remarks appear in the Appendix of today's RECORD.]

GENERALISSIMO FRANCO

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAGNUSON. Mr. Speaker, I notice in this morning's paper an article regarding a recent congratulatory message that the Generalissimo of the Spanish Government, Señor Franco, had sent to the puppet president of the Philippine Islands. I do not know how long this is going to go on with the Spanish Government, but, Mr. Speaker, if I were the Chief of Staff, I would not hesitate, if other major military obstacles were not in the way to a second front, I would march right through Spain.

PERMISSION TO ADDRESS THE HOUSE

Mr. KEEFE. Mr. Speaker, at the conclusion of the regular order of business and other special orders today, I ask unanimous consent that I may be permitted to speak for 25 minutes.

The SPEAKER. Is there objection?

Mr. EBERHARTER. Mr. Speaker, I reserve the right to object to inquire of the gentleman if this request to speak is in furtherance of the declared and avowed purpose of some Members of the House to carry on a filibuster in reverse, or whether it is the purpose of giving information to the House?

The SPEAKER. The gentleman may answer that if he desires.

Mr. KEEFE. Mr. Speaker, I do not believe that I am required to answer such a question. However, for the information of the distinguished gentleman from Pennsylvania, may I say that I expect to speak on the subject of Norway and the Norwegian merchant marine. If the gentleman is interested in the post-war possibilities of helping small nations, I

WHAT GENERAL MARSHALL THINKS OF PROPAGANDA

Lest the opinion get abroad that the part which our propagandists are playing on the fighting front is merely a reporter's hallucination, the views of our military men should be heard. On November 22, 1942, General Marshall wrote to Elmer Davis, O. W. I. director:

"The efficiency with which the personnel of O. W. I. cooperated with the War Department in connection with the operations in north Africa contributed directly toward its success, and is greatly appreciated."

Last August 30, General Marshall again wrote to Mr. Davis: "I desire to express my appreciation to the members of your organization for their excellent work in the field of psychological warfare during the Sicilian campaign."

Only the other day, after the fall of Naples, General Eisenhower sent a cable to the combined Chiefs of Staff paying high tribute to the psychological warfare branch of his headquarters during the campaigns for the conquest of Tunisia, Pantelleria, and Sicily and the invasion of Italy. For security reasons, his cable cannot be quoted, but it may be said that he praised the propaganda warfare unit for making a "definite contribution" as an integral part of the armed forces in the actual fighting and that he said he counted on further valuable work by this branch in the battles to come.

Further testifying to the importance of propaganda in modern warfare and the remarkable results secured by the Office of War Information in the Italian campaign, I wish to read also a brief excerpt from an article entitled "How Revolution Will Come to Germany," appearing in this week's issue of the Saturday Evening Post. The article is written by William F. Zollmann, former member of the Reichstag, Secretary of the Interior under the German Republic, editor of the Rheinische Zeitung, from 1911 to 1933, who led the revolt that ended the Hohenzollern dynasty and the First World War and who was commissioned by Field Marshal von Hindenburg to organize the Workers and Soldiers Council following the emperor's abdication.

Here is Mr. Zollmann's carefully considered comment on the current European situation:

We are rapidly approaching another revolution in Germany, perhaps this winter, certainly not later than some day in 1944. How will it come to pass? Exactly as in 1918, there will not be a revolution until decisive military defeats have disintegrated the German Army and destroyed the authority of Hitler's police force inside Germany. This is primarily a problem of allied superiority in men and material on the battlefield, but not this alone. The disintegration can be accelerated by good allied propaganda, as it was successfully used against Mussolini, at least toward the end of his dictatorship.

This statement is notable from three points of view. In the first place, it is by a man who is more thoroughly cognizant with conditions calculated to end the war through the internal collapse of Germany than any other man in the world today.

Second, here is evidence of the importance of propaganda as a factor in bringing about the surrender of Germany in the First World War, and

Third, here is unimpeachable evidence of the efficient and effective use of propaganda by the Office of War Information in the Italian campaign.

Mr. Speaker, the appropriation of the full budget estimate of \$5,000,000 for the Office of War Information will contribute more directly to the early and successful conclusion of the war than any similar amount provided for any phase of the war program.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the National Tribune.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COFFEE. Mr. Speaker, in connection with the remarks I made today in the Committee of the Whole I ask unanimous consent that I be permitted to include two newspaper articles, rather lengthy, from the Washington Post.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COFFEE. Also, Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FULBRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that the remarks of the gentleman from New York [Mr. KENNEDY] be printed in the Appendix, together with a letter from a constituent.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FORD. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

STATESMANSHIP NEEDED WITH POLITICS ABANDONED

The SPEAKER pro tempore. Under special order heretofore made, the Chair recognizes the gentleman from West Virginia [Mr. SCHIFFLER] for 15 minutes.

Mr. SCHIFFLER. Mr. Speaker, we are receiving glorious news each day from the battle fronts. With accelerated efforts we are certain that victory is now ours. How long hence is problematical; most any day, or possibly several months before we shall conquer the Axis in Europe. In the Pacific area, while the major part of this struggle seems yet ahead, remembering that we are now fighting two major wars, with the Euro-

pean war disposed of, we can much more quickly defeat our foe in the Pacific, and it is reasonably safe to assume, excluding unforeseen complications, that within a year following our victory in Europe we shall also be blessed with an overwhelming victory in the Pacific area.

Labor, agriculture, and business, having full knowledge of the responsibility and problems before them and what was expected of them, have each performed with the usual American courage and capacity, and our production of all those things essential to the winning of this war has been an outstanding monument to the laborer, farmer, and businessman. It has again been exemplified that no matter how great the emergency, the American people, inspired by love for their Government, are always ready and willing to pay whatever may be the cost and to make whatever sacrifice may be necessary, to sustain and to preserve our beloved Constitution and the economic system which has been responsible for our remarkable progress in a brief period of approximately 150 years.

Our boys and girls on the numerous fighting fronts, by their enthusiasm, courage, and sacrifice, have each certainly won the highest honors that any government can bestow upon its citizens. The hardships endured and the sacrifices made by each boy and girl in the fighting force entitles him and her to the Congressional Medal of Honor. Attu, Bataan, Corregidor, Salerno, Sicily, and the constant and successful battle by our aviators over Hitlerized Europe, each singularly manifest a determination, courage, and willingness of sacrifice unexcelled in any conflict in the history of the world, and to those heroes we owe a debt of gratitude that shall never be fully satisfied. Mere words cannot adequately describe, nor can we with justice eulogize, those brave men and women who so nobly contributed to our achievements. I would be remiss in duty if I were not to mention the valiant disciples of John Paul Jones and the men of our merchant marine whose services and sacrifices, beginning at Pearl Harbor, have also so largely contributed to our successes. Unhesitatingly, unflinchingly, and with unmatched courage, our beloved boys and girls have gone forth into this inferno—and for what? To sustain and to preserve, in this shrinking world, our beloved Republic, with its democratic processes and its fundamental guarantees of life, liberty, and the pursuit of happiness.

And while our farmers and laborers, business and industry have, with unmatched patriotism, each made unstinting contribution to the support of those fighting on the far-flung battle fronts, what has been the attitude of government? Has it been true to its trust? I am loathe to criticize and do not do so, except that I believe it highly important that we on the home front set the ship aright now in that the sacrifices of those on the battle front shall not be in vain. Our diplomatic successes abroad are worthy of commendation. They have secured military, economic, and political advantages. However, this job is not completed. Much yet remains

to be done. This includes the establishment of a just and lasting peace.

Experimentation in government during this crucial period is inexcusable. The substitution of bureaucracy for democracy is unpardonable. Inefficiency, bungling, and waste are high crimes against the Constitution and against the sacred honor and sacrifices of our fighting forces. There are numerous problems that have not yet been solved upon our domestic front and which, if permitted to remain unsolved, will make our victory of doubtful value. The American people are courageous, patriotic, and of deep religious convictions. To see the law of God recklessly flaunted and the fundamental law of the land, and the processes provided by it, utterly disregarded, strikes at the very depth of every emotion possessed by God-fearing, liberty-loving, brave, and sacrificing people.

While more than 10,000,000 Americans, possessed of the noblest aspirations and the highest courage are absent, shall the fundamental processes of our government, by subtle means, be abrogated, and in their place a new order, highly foreign to American ideals substituted—an order in which the totalitarian processes of autocracy and of state socialism are to be promulgated and established? Emphatically, no. Every American worthy of the name must at this time, by unequivocal expression, direct the ship of state of our Nation be righted and our Government be administered according to our Constitution, and the laws be made pursuant to such Constitution. It is imperative that experimentations with processes of government and of economies entirely foreign to the American system be immediately dispensed with and those engaged in such experimentation be replaced in the high places of government by men and women of sound judgment, common sense, and practical experience.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. SCHIFFLER. Yes.

Mr. MUNDT. I have been very much impressed by the gentleman's views, and it happens that the Kiwanis International, which is a great service organization, comprised of service clubs in Canada and the United States, has recently adopted as its slogan, and one of its major objectives for the current year, the phrase "Keep America America." I wonder if that does not pretty well summarize the gentleman's viewpoint, as he challenges the country to respond to its important responsibility?

Mr. SCHIFFLER. I think it does, and I thank the gentleman.

The bungling and inefficiency displayed in the handling of most of our major problems has resulted in a feeling of dissatisfaction and discontent and is universally manifested by the citizens of our great country. I need not point to evidences of this. I believe that all are sufficiently familiar with recent events to justify a belief in this statement. Waste, in time of crucial emergency, is not only inexcusable but unpardonable. I need not point out to you the innumerable instances of vast quantities of food-

stuffs that have been permitted to decay while many of our citizens have been in dire need for such. The build-up of men and women upon the Federal pay rolls in this critical time is again a monumental disgrace and an affront to an already overburdened citizenry, who by stint and sacrifice, are ready to pay whatever price may be necessary to sustain, with rigid economy, the normal functions of government, but are utterly unable to continue to bear the imposition of this gigantic and unnecessary array of office-holders. I believe that one-third of the 3,000,000 persons now on the Federal civil pay rolls could be released for employment in the much needed agricultural and industrial sections of our country to assist in the production of food and of other essentials of war, and undoubtedly many thousands of them added to our armed forces.

Mr. LANDIS. Mr. Speaker, will the gentleman yield?

Mr. SCHIFFLER. Yes.

Mr. LANDIS. If we had had some of that help in the State of Maine and out in Idaho this year we probably would not have lost 30,000 carloads of potatoes.

Mr. SCHIFFLER. I thank the gentleman for his contribution.

We are in serious danger of an immediate break-down of the hold-the-line directive. Time will not permit me to recite the contributing factors. Inflation seems imminent. This undoubtedly is being brought about by vacillation and bungling. There is a remedy yet available. The situation is by no means hopeless. The installation into places of authority of men and women with courage and capacity, selected without political consideration, but solely for ability to serve, and given authority without interference and unnecessary red tape, and these problems are yet capable of solution and we can thereby avoid highly disastrous inflation.

It is imperative that action be prompt and without regard for political expediency. We shall soon be confronted with the rewards of victory. What plans have been made to definitely assure all those returning from the conflict immediate employment and business opportunities?—None that I know of. What plans have been projected to care for those now engaged in war production who with a sudden impact will be thrown out of employment and remain so during that necessary period of reconversion?—None that I have knowledge of. It is high time that serious thought and action be given to these problems. Their neglect by the executive and legislative departments of government will wreak its vengeance with astounding rapidity and telling effect. We have not been so remiss with regards to other parts of the world. Our hands have gone out to aid in the solution of all the major problems of the other nations of the world. We have had proposed a plan to stabilize the currencies of the world and which involve the use of a large quantity of our gold. Also, there has been proposed for the aid of other nations of the world an international bank in which we shall also, as a member, participate and subscribe another huge quantity of gold. Today at

Atlantic City, the Claridge Hotel is completely filled with delegates from the 44 united and associated nations to complete plans for the carrying out of the agreement executed by our Government for rehabilitation and relief and which again will involve a substantial contribution from our assets. We have looked abroad projecting our aid and assistance in all directions, but we have again forgotten the problems that are important and vital to every citizen of our beloved country. I sincerely hope that the executive and legislative departments of our Government can, with equal fervor, immediately set to work to solve our problems and will continue with like diligence and enthusiasm until there has been assured to each of those on the battle fronts employment and business opportunities, and to each of those who will be affected at home, a like chance to escape that serious impact which will undoubtedly immediately follow our victory.

To achieve these things it is essential that serious and constructive thought be given and immediate action be had. When our armed forces return we are going to meet a new type of citizen. These boys and girls have experienced much in this world. They are coming back educated, alert, well-informed, and they will have a definite knowledge of what they are entitled to have and expect to receive. We shall have to account to them. Our delay will be unpardonable. With all sincerity I urge that politics be abandoned for the duration, and that the executive and legislative departments of government set seriously to work to solve these problems which are of so paramount importance to the future welfare of our beloved country. Do not delay—act today.

The SPEAKER pro tempore. Under previous order, the Chair recognizes the gentleman from Wisconsin [Mr. MURRAY] for 10 minutes.

HAY SUBSIDIES

Mr. MURRAY of Wisconsin. Mr. Speaker, I insert in the RECORD as a part of my remarks a letter from the C. C. C., together with a list of the carloads of hay subsidized by C. C. C. in Virginia and Maryland. Mr. Trapp informs me that Virginia and Maryland are the only States obtaining this hay subsidy. This seems unbelievable.

There are three questions that I think should be answered by the Banking and Currency Committee, or by any member of this committee that can and will do it. They are:

First. Where did the C. C. C. get the authority to become a drought relief agency?

Second. Why is one branch of the Agricultural Department out collecting the old drought-relief loans, while another branch of the same Agricultural Department is given blank checks to give feed away to people living in two States?

Third. Is there any member of the committee, or any Member of Congress that can justify this use of public funds in this manner? If so, please do.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., November 9, 1943.

HON. REID F. MURRAY,
House of Representatives,
Washington, D. C.

DEAR MR. MURRAY: We informed you in a letter dated October 23, in reply to your letter of October 12, that we had requested Southern States Cooperative, Inc., Richmond, Va., which is handling the operational part of the emergency hay program in the East, to furnish us a list of the larger users of Government hay in the States of Maryland and Virginia.

We are enclosing the names and addresses of the larger users of hay in the States of Maryland and Virginia and the number of carloads ordered by each. The list includes only those purchasers who have placed orders for three carloads or more. A carload of hay averages about 15 tons.

The War Food Administration announced on April 14 that shippers of corn from the major corn area of the Corn Belt to Eastern and Southeastern States would, because of the difference in the ceiling price in the Corn Belt and the ceiling price in the Eastern States, be eligible for a price adjustment to be paid by Commodity Credit Corporation in connection with all corn shipped from the Corn Belt to Eastern States. The ceiling difference is 5 cents per bushel; however, the adjustment is the difference between the market price of corn in the Corn Belt and the ceiling basis of \$1.02 per bushel at Chicago for Eastern States. We have made payments on about 18,000,000 bushels, mostly at the full 5 cents per bushel. Very little corn is moving east at present.

Sincerely yours,

JOHN E. TRIPP,
Associate Director, Grain Division.

There are 15 tons of hay to the car and the subsidy is about \$14 per ton, or about \$210 per car.

List of the names and addresses of persons who have placed the largest orders for hay pursuant to the Eastern States emergency hay program

	Number of cars of hay purchased
B. F. Johnston, Glyndon, Md.	5
Essex Farms, Lutherville, Md.	8
Beachmont Farms, Glen Arm, Md.	3
G. M. James, Herndon, Va.	7
Thorburn Bro., Chancellor, Va.	8
Sherwood Dickinson, Fredericksburg, Va.	7
Mrs. M. H. Dickinson, Post Oak, Va.	3
E. T. Hildrup, Chancellor, Va.	4
R. O. Gordon, Spotsylvania, Va.	3
J. M. Stick estate, Fredericksburg, Va.	3
Spring Knoll Farm, Falmouth, Va.	3
W. B. Gate Sons, Rice, Va.	6
Walton Clark, Rice, Va.	3
Jenkins Bros., Green Bay, Va.	3
Dr. T. K. Terrell, Graves Mill Road, Lynchburg, Va.	6
Montview Farm, route No. 2, Lynch- burg, Va.	3
Brookville F. F. A., Brookville High School, Lynchburg, Va.	7
Mrs. E. H. Brockenbrough, 3004 River- mont Ave., Lynchburg, Va.	4
W. H. Moore, Blackstone, Va.	4
L. W. Huff, Nokesville, Va.	3
Fred F. Tavenner, Sterling, Va.	3
C. T. Farr, Herndon, Va.	3

	Number of cars of hay purchased
Tweedside Dairy, Blackstone, Va.	3
H. S. Ryder, Wellville, Va.	3
S. R. Williamson, Wellville, Va.	8
William Dalton, Wellville, Va.	3
Tucker's Dairy, McKenney, Va.	6
C. F. Clarke, Culpeper, Va.	4
Bernard Inskip, Rapidan, Va.	3
Mt. Vernon Stock Farm, Sperryville, Va.	5
J. E. Douglas, Culpeper, Va.	3
W. E. Haily, Keysville, Va.	3
G. O. Pittus, Keysville, Va.	5
Col. H. A. Newcomb, Greenwood, Va.	3
Mrs. M. H. Dickinson, McHenry, Va.	6-8
Tom J. Ogburn, Lawrenceville, Va.	4
R. H. Todd, Darlington, Md.	3
S. L. Remsberg, Knoxville, Md.	3
Hoffman Bros., Woodsboro, Md.	3
Horace Moffett, Marshall, Va.	4
John H. Lamb, route 2, Charlottesville, Va.	6
John R. Morris, Charlottesville, Va.	8
G. H. Vandevender, Charlottesville, Va.	3
Dr. J. L. Manahan, Scottsville, Va.	3
W. A. Houck, Ashland, Va.	3
W. J. Foster, Chester, Va.	4
C. C. Satterfield, Irwin, Va.	3
W. N. Stoneman, route 5, Richmond, Va.	3
R. S. Graves Bros., Syria, Va.	5
Z. R. Lewis, Rock Hill Farm, Shelby, Va.	4
E. E. Aylor, Criglersville, Va.	3
M. B. Helzer, Rawlings, Va.	3
Shirley Furton, Purcellville, Va.	6
Talbot Farm, Waterford, Va.	4
H. H. Kelley, Bluemont, Va.	4
Charles M. James, Purcellville, Va.	2
W. W. Susley, Purcellville, Va.	6
W. C. Wilson, Purcellville, Va.	3
Hugh N. Rahes, Leesburg, Va.	20
Clay Plummer, Gaithersburg, Md.	3
Roland MacKenzie, Rockville, Md.	3
P. L. Snyder, Gaithersburg, Md.	4
A. W. Ratliff, Gaithersburg, Md.	6
J. M. Redpath, Rockville, Md.	4
Thomas M. Garrett, Rockville, Md.	6
P. R. Marsh, Catlett, Va.	5
D. M. Gray, Catlett, Va.	3
H. J. Wilson, Catlett, Va.	5
W. H. Thomas, Remington, Va.	7
Mrs. J. W. McConchie, Remington, Va.	7
O. A. Groves, Bealeton, Va.	2
G. A. Walker, Clayville, Va.	3
Mrs. Eva Pemberton, Doswell, Va.	6
R. M. Toney, in care of State Cleaning Co., Richmond, Va.	3

Supplemental list of the names and addresses of persons who have placed the largest orders for hay pursuant to the Eastern States emergency hay program

	Number of cars of hay purchased
Eugene Doody, route 1, Frederick, Md.	14
Ray H. Smith, route 1, Frederick Md.	6
Walter Hahn, route 1, Frederick, Md.	5
R. R. Lewis, Jr., Frederick, Md.	5
Gladhill Brothers, Damascus, Md.	5
Andrew Cornelius, Arcola, Va.	6
W. W. Mays, Silver Spring, Md., No. 2	14
John Lee, Greensboro, Md.	3
John M. Hart, Haymarket, Va.	4
E. H. Marsteller, Manassas, Va.	4
C. C. Lynn, Manassas, Va.	4
W. L. Coverstone, Manassas, Va.	3
Ben Lomand Farm, Manassas, Va.	3
G. C. Russell, Woodbridge, Va.	4
Fairhaven, Sykesville, Md.	6
W. T. Green, Midland, Va.	8
Mrs. A. M. Shumate, Bealeton, Va.	6

	Number of cars of hay purchased
W. R. Burton, Calverton, Va.	3
W. W. Sanford, Orange, Va.	4
W. A. Williams, Orange, Va.	4
F. S. Walker, Orange, Va.	4
E. H. Conway, Orange, Va., No. 3	3

WHY NOT MAKE FULL USE OF DESIRABLE FOOD?

Mr. Speaker, every day I wonder how much longer the O. P. A. and its sister agencies are going to carry on the dairy program that is now in operation.

It is startling to realize that we had one-half million more cows the first of this year than the year previous, but that we are producing apparently a billion pounds less milk.

First allow me to present the following food facts, that are found in the U. S. D. A. Circular No. 549, page 547:

	Water, per- cent	Protein, percent	Fat, per- cent	Ash, per- cent	Fuel value, per pound
Dried whole milk	3.5	25.8	26.7	6.0	2,250
Dried skim milk	3.5	35.6	1.0	7.9	1,630

In U. S. D. A. Miscellaneous Publication No. 505 I find:

Vitamins per pound

	Vitamin A, I. U.	B, Vitamin Mg.	C, Vitamin Mg.	D, Vitamin I. U.	Riboflavin Mg.
Dried whole milk	7,300	1,400	40	-----	11,600
Dried skim milk	640	1,700	30	-----	9,000

The O. P. A. ceiling on dried skim milk by the spray process is 14.5 cents per pound and by the roller process is only 12.5 cents per pound. Can a 12.5 cents per pound ceiling on a food product that has 35 percent protein content be justified?

I do not feel it necessary to compare dried skim milk with other food products, but I wish to point out that dried skim milk, with its 35 percent protein, has a 12.5 to 14.5 cents per pound ceiling price which is ridiculous when compared with other foods having only a 15- to 20-percent protein content yet still having 40 to 50 cents per pound ceiling prices. Still other food products with comparatively high ceiling prices show only a fraction of the food value of dried skim milk.

Of the 522 allocable supplies for 1943-44 about 12 percent was and is being consumed by the armed forces, about 53 percent goes to lease-lend, and about one-third is used by United States civilians.

The production by month is as follows:

Production: Dried skim milk (for human consumption)

Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935.....	11,854	11,795	15,232	17,272	22,723	24,100	17,570	16,899	15,364	13,015	9,902	11,805	187,531
1936.....	13,319	13,410	16,601	19,542	25,165	27,266	19,124	17,019	18,448	19,822	16,129	17,982	223,827
1937.....	18,495	15,790	19,671	22,211	28,848	29,611	24,442	19,635	17,646	16,049	13,731	18,382	244,511
1938.....	20,327	18,724	23,455	27,580	34,555	32,482	27,621	23,212	22,762	22,548	17,154	18,701	289,121
1939.....	20,108	18,401	22,502	24,048	30,666	31,489	24,360	20,260	18,848	18,013	18,041	21,124	267,860
1940.....	24,495	23,370	27,442	29,036	35,358	38,578	31,094	26,631	22,157	22,564	19,030	22,088	321,843
1941.....	25,714	25,715	31,142	34,449	43,781	41,780	31,953	29,293	27,016	25,253	22,816	27,543	366,453
1942.....	33,826	36,114	47,314	54,099	71,427	68,673	58,554	52,896	43,957	36,853	28,809	32,134	565,256
1943.....	29,000	29,200	40,150	45,350	56,950	59,925	53,650	42,350	33,250				

You will note that our September production in 1943 is practically 25 percent less than in 1942.

Is there any reason for the difference in price of the roller and the spray powdered skim milk? Is there a justifiable reason for placing a 12.5- to 14.5-cent-per-pound ceiling on a food product most sorely needed as a war food?

As long as the man with the price can buy all the milk and cream he desires from which, without using ration points, he can make his own butter, as long as the average housewife has to pay 16 points for butter produced from the identical milk and cream, and as long as the housewife has to pay 5 points to obtain even a pound of cottage cheese made from skim milk, I am sure we do not have a very well planned dairy food program. As long as the man with the price can buy cream of 15 to 20 percent butterfat content without using ration points, but still the housewife has to pay points to get a can of 7.2 butterfat evaporated milk, I question whether we have a worth-while dairy program.

While the governmental agencies allocate 3,600 to 4,000 tons of tinplate for the filled milk production and yet make it most difficult to get tin for a cheese vat for the corner cheese factory, for a can washer, or for a pasteurizer for any cheese factory, there is not much evidence that the present governmental agencies are equal to their responsibilities.

I have repeatedly pointed out that statistically we can still meet the dairy problem, but I fail to see any constructive effort being made to accomplish it.

The ideal weather in the dairy sections the past two seasons may have misled some to think they planned it that way; but the fact remains that while milk production should be increasing, actually it is on the downgrade.

The two most important consumer groups are the armed forces and the babies. The armed forces make use of evaporated milk, dried whole and dried skim milk, as well as butter and cheese. It is hoped they will be amply supplied. Millions of babies are raised on evaporated milk and these should be guaranteed adequate milk for their needs.

For the purpose of a more efficient dairy production program, and for a more effective use of potential supplies, I trust O. P. A. and its allied agencies will soon correct the existing situation. Dried skim milk, an important and necessary food, is not making the contribution it should to the dairy food program. The low-income groups are being denied one of our greatest of foods.

Immediate steps should be taken to correct this situation.

In view of the foregoing facts, how can one become too enthused by the roll-back program that cuts back by 10 percent the price of a product with a 15 to 20 percent protein which has a 30-, 40-, 50-cent per pound ceiling price while at the same time a product with 35 percent protein has a 12.5-cent per pound ceiling price?

We should be rolling up the production of this great food, dried skim milk, before we spend too much time, effort, and expense on rolling back the price of any food products.

CONSTRUCTIVE CRITICISM OF FEDERAL REAL ESTATE OPERATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri is recognized for 20 minutes.

(By unanimous consent, Mr. BENNETT of Missouri was granted permission to revise and extend his remarks.)

Mr. BENNETT of Missouri. Mr. Speaker, the Government of the United States is the biggest real estate owner in the country. But the Government cannot tell you how much it currently owns. It just does not know. Nobody knows.

In these days of ever-increasing taxes it behooves the Congress to cast about for ways to save the people money. It does no good, for instance, to criticize Uncle Sam for going on a land-buying spree and paying \$2,610,000 for 3.08 acres of land, most of it at the bottom of the Hudson River. It is not the first time Uncle Sam has been sold things costly as the Brooklyn Bridge. It may be a mistake for him to spend his money this way, but there is a reason for it which must be corrected.

It is an astounding fact, but none the less true, that at the present time there is no satisfactory uniform control, administrative or otherwise, over performance of the operational steps in acquisition and disposition of real property for the uses and purposes of the United States and its various agencies, nor has any satisfactory procedure been established for the compilation of records whereby adequate administrative control could be effected.

The importance of this fact can be found in the confusion which exists between the scores of Government agencies buying land and in the purchases which have been made.

OVERLAPPING BUREAUCRACY

At present there are over 60 departments, agencies, and independent estab-

lishments from which the Congress and the Chief Executive must obtain information upon which to base decisions and execute plans and policies regarding the real property requirements of the Government. Of the more than 60 departments and agencies, all are on a parity as to administrative control and responsibility, and while each functions in its own separate sphere, none is equipped to assemble and correlate the vast information required by the Congress and the President for policy and administrative purposes. This is especially true with respect to new requirements, surplus property disposition, future utilization, and the custody of the greatly expanded Federal holdings. Millions of dollars could be saved if this responsibility was coordinated in one agency. The Comptroller General has recommended that it be centered in the General Land Office.

Article 4, section 3, clause 2 of the Constitution of the United States provides: "The Congress shall have power to make all needful rules and regulations respecting property belonging to the United States." I have therefore introduced a bill, H. R. 3632, to amend the act of July 4, 1836 (5 Stat. 107) entitled "An act to Reorganize the General Land Office," and hope that the Congress will approve this measure to vest in the Commissioner of the General Land Office the responsibility to maintain centralized title records of all Government land, the power of acquiring it, and such other provisions as contained in the bill. A similar bill was introduced in the Senate by Senator HATCH, of New Mexico, on October 5, 1943.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Missouri. I yield.

Mr. O'HARA. I want to compliment the gentleman for his industry and his intelligence on this very important subject. I wonder if the gentleman could tell us how many million acres of land the Government has condemned or bought, say for the Army and Navy alone, in this war effort.

Mr. BENNETT of Missouri. I think I can answer the gentleman's question. I have before me some information on that point.

BILLIONS OF DOLLARS AND MILLIONS OF ACRES

Without including land purchases of the Defense Plant Corporation for some 1,500 war plants and acquisitions by other agencies not referred to the Department of Justice for title opinions, the total acquired and pending acquisitions for defense and war purposes from July

CONSIDERATION OF H. R. 3477

NOVEMBER 16, 1943.—Referred to the House Calendar and ordered to be printed

Mr. COLMER, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 356]

The Committee on Rules, having had under consideration House Resolution 356, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 139

78TH CONGRESS
1ST SESSION

H. RES. 356

[Report No. 866]

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 1943

Mr. COLMER, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House re-
3 solve itself into the Committee of the Whole House on the
4 state of the Union for the consideration of the bill (H. R.
5 3477) to continue the Commodity Credit Corporation as an
6 agency of the United States, to revise the basis of annual
7 appraisal of its assets, and for other purposes. That after
8 general debate, which shall be confined to the bill and shall
9 continue not to exceed two days, to be equally divided and
10 controlled by the chairman and ranking minority member
11 of the Committee on Banking and Currency, the bill shall
12 be read for amendment under the five-minute rule. At the

1 conclusion of the reading of the bill for amendment, the
2 Committee shall rise and report the same to the House with
3 such amendments as may have been adopted and the previous
4 question shall be considered as ordered on the bill and
5 amendments thereto to final passage without intervening
6 motion except one motion to recommit.

House Calendar No. 139

78TH CONGRESS
1ST SESSION

H. RES. 356

[Report No. 866]

RESOLUTION

Providing for the consideration of H. R. 3477,
a bill to continue the Commodity Credit
Corporation as an agency of the United
States, to revise the basis of annual ap-
praisal of its assets, and for other purposes.

By Mr. COLMER

NOVEMBER 16, 1943

Referred to the House Calendar and ordered to be
printed

West	Wigglesworth	Wolverton, N. J.
Wheat	Willey	Woodrum, Va.
White	Wilson	Worley
Whitten	Winter	Wright
Whittington	Wolcott	Zimmerman
Wickersham	Wolfenden, Pa.	

NAYS—0

NOT VOTING—89

Baldwin, N. Y.	Gerlach	Monroney
Bates, Mass.	Gillie	Morrison, La.
Bell	Gore	Mott
Bland	Gossett	Myers
Bonner	Grant, Ind.	Norton
Boren	Hall,	O'Leary
Boykin	Leonard W.	O'Toole
Bradley, Mich.	Harless, Ariz.	Priest
Brooks	Harness, Ind.	Rabaut
Buckley	Harris, Va.	Reece, Tenn.
Bulwinkle	Hart	Rogers, Calif.
Celler	Hendricks	Rowe
Chapman	Izac	Sabath
Chenoweth	Jackson	Sasser
Coffee	Jeffrey	Scanlon
Costello	Johnson,	Shafer
Cravens	Anton J.	Sheridan
Cullen	Johnson,	Short
Davis	J. Leroy	Sikes
Dawson	Jones	Smith, Maine
Dewey	Judd	Smith, Va.
Dies	Kee	Somers, N. Y.
Dirksen	Kefauver	Taylor
Douglas	Kleberg	Treadway
Drewry	Lewis, Colo.	Vincent, Ky.
Durham	McLean	Voorhis, Calif.
Engle, Calif.	Madden	Wene
Fogarty	Marcantonio	Whelchel, Ga.
Forand	Martin, Iowa	Winstead
Ford	Merritt	Woodruff, Mich.
Fulmer	Morrow	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mrs. Norton with Mr. Short.
Mr. Cullen with Mr. Dirksen.
Mr. Madden with Mr. Jones.
Mr. Morrison of Louisiana with Mrs. Smith of Maine.
Mr. Buckley with Mr. Harness of Indiana.
Mr. Kleberg with Mr. Baldwin of New York.
Mr. Costello with Mr. Grant of Indiana.
Mr. O'Leary with Mr. Reece of Tennessee.
Mr. Cravens with Mr. Gillie.
Mr. O'Toole with Mr. Schafer.
Mr. Drewry with Mr. Jeffrey.
Mr. Voorhis of California with Mr. McLean.
Mr. Fulmer with Mr. Woodruff of Michigan.
Mr. Kefauver with Mr. Taylor.
Mr. Rabaut with Mr. Anton J. Johnson.
Mr. Merritt with Mr. Rowe.
Mr. Harris of Virginia with Mr. Douglas.
Mr. Somers of New York with Mr. Chenoweth.
Mr. Bland with Mr. Treadway.
Mr. Scanlon with Mr. Morrow.
Mr. Lewis of Colorado with Mr. Dewey.
Mr. Chapman with Mr. J. Leroy Johnson.
Mr. Smith of Virginia with Mr. Martin of Iowa.
Mr. Sabath with Mr. Judd.
Mr. Celler with Mr. Mott.
Mr. Boykin with Mr. Bradley of Michigan.
Mr. Hart with Mr. Gerlach.
Mr. Priest with Mr. Leonard W. Hall.
Mr. Izac with Mr. Bates of Massachusetts.
Mr. Coffee with Mr. Marcantonio.

The doors were opened.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to increase the service-connected disability rates of compensation or pension payable to veterans of World War No. 1 and World War No. 2, and veterans entitled to wartime rates based on service on or after September 16, 1940, for service-connected disabilities, and to

increase the rates for widows and children under Public Law 484, Seventy-third Congress, as amended, and to include widows and children of World War No. 2 veterans for benefits under the latter act."

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the gentleman from Mississippi, Mr. WINSTEAD, is unavoidably absent, being away on a mission for the War Department. He desired to be paired for this bill, but since there is nobody to be paired with, as everybody is for it, I want him recorded as being in favor of the measure.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMODITY CREDIT CORPORATION

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution (H. Res. 356), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 days, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a speech made by Hon. Frank Murphy, Associate Justice of the Supreme Court, on the occasion of the eighth anniversary of the establishment of the Philippine Commonwealth; and further to extend my own remarks and include therein a speech made on this

occasion by my friend the President of the Philippine Commonwealth, Hon. Manuel Quezon. In both instances these speeches reflect my sentiments, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Minnesota [Mr. KNUTSON] be permitted to extend his own remarks in the Record and include therein an article from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Washington [Mr. JACKSON] be permitted to extend his own remarks in the Record and include therein an article by Basil J. Flavianos entitled "The Greek United Front." The gentleman from Washington [Mr. JACKSON] is presently serving our country in the armed forces.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

AMENDMENT OF SELECTIVE TRAINING AND SERVICE ACT

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, I have asked for this time for the simple purpose of announcing to the House that the conferees have reached a complete agreement on the bill, S. 763, relating to the drafting of pre-Pearl Harbor fathers, as an amendment to the Selective Training and Service Act. We hope to have the report and the statement ready by tomorrow, if possible. If not, on tomorrow I shall ask permission to have until midnight tomorrow for the filing of the report, and try to take the matter up the next day. I will, of course, arrange with the floor leader and the Speaker before doing anything at all about it. I have already spoken to him.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The conference report referred to by the gentleman from Kentucky is of such importance that I believe it should be brought up as soon as possible after it is filed.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Montpelier Argus with reference to a unique association formed in Vermont entitled "Freeman's Association."

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Pittsburgh Press.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects and include brief editorials with each.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. POULSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HERTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from today's Washington Star.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter I have received from the State medicine committee of the Buchanan County Medical Society, St. Joseph, Mo., informing me that on November 3, 1943, at its regular meeting the society unanimously voted and went on record as opposed to the passage of the Wagner-Murray-Dingell bills (S. 1161 and H. R. 2861) and setting out their reasons therefor.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LARCADE. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. MORRISON] be permitted to extend his own remarks in the RECORD and include therein copies of four letters addressed to the citizens of Louisiana.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. WEISS asked and was given permission to extend his own remarks in the RECORD.)

Mr. HARRIS of Arkansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Pittsburgh Press and also three telegrams.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a résumé of veterans' laws in effect in the State of New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include two speeches I recently made.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include two articles from the Chicago Sun, and a communication from Mr. Darden, of the District of Columbia.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on star route legislation and include certain extracts from a book, entitled "People in Bondage."

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Ernie Pyle concerning efforts of the Mexican people in behalf of prisoners in the hands of the Japanese.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

PERSONAL EXPLANATION

Mr. GOSSETT. Mr. Speaker, I was downtown on official business and came into the Chamber just at the conclusion of the roll call on the bill increasing the veterans' compensation, just passed. If present I would have voted for the bill.

CORRECTION IN THE VOTE

Mr. CANNON of Missouri. Mr. Speaker, on roll call 160 I am recorded as among those not present and answering to their names. I was present and answered to my name, and I ask unanimous consent that the Journal and the RECORD be corrected accordingly.

The SPEAKER. Without objection, the Journal and the RECORD will be corrected in accordance with the statement of the gentleman from Missouri.

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that today I be allowed to address the House for 10 minutes at the conclusion of any other special orders.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLMES of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from the board of assessors of the town of Framingham, Mass.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

LEAVE TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Monday and Tuesday of next week, at the conclusion of legislative business and any other special orders, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

SUBSIDIES

The SPEAKER. Under previous order of the House, the Chair recognizes the gentleman from Missouri [Mr. SCHWABE] for 15 minutes.

Mr. SCHWABE. Mr. Speaker, my purpose today is not to add materially to the splendid arguments in opposition to the proposed subsidies outlined by the administration, for these have been presented in a scientific manner a number of times on the floor of the House by my able colleagues. I wish to present some of my own views and to give the Congress the prevailing sentiment expressed by the average small farmer in Missouri.

It is recalled by most of us that this body went on record by a nearly two-thirds vote last summer in opposition to subsidies, that just before we went home for the summer recess we extended the life of the Commodity Credit Corporation until January, and that subsidies have been in effect and we are at this time paying out of the Treasury money that is being raised through the sale of War bonds.

We will be called upon day after tomorrow to extend the life of the Commodity Credit Corporation, and the ad-

was under consideration in the Senate, but did not know a vote was to be taken today. The vote justifies the expectations of the friends of the bill and is a tribute to Senator BANKHEAD, who originated the bill and has advocated it with such ability. It is another of many contributions by the distinguished Senator from Alabama to the practical solution of difficult national problems.

Mr. CURTIS. It has certain restrictions. I do not know how the bill compares with the bill which the gentleman has introduced.

Mr. CANNON of Missouri. The two bills were originally identical. No doubt Senator BANKHEAD's bill has been improved during its consideration in the committee and in the Senate.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Dakota.

Mr. MUNDT. One of the fears which has been expressed concerning the bill is that it might lead to an opportunity for certain governmental agencies or parties to play favorites. I know the gentleman has been concerned about eliminating that from his legislation. I wonder if he can delineate for the House those safeguards which are in the bill to protect each and all among the publishers against any possibility of favoritism in the dissemination of this advertising.

Mr. CANNON of Missouri. I am glad the gentleman has brought up that point. Any such apprehension is without foundation. The payments are distributed equally to all the newspapers of the same class. Regardless of their political affiliations or editorial policy all newspapers of the class admissible to the mails as second-class matter receive the same amount of space and could not possibly be subject to caprice, prejudice, or political pressure.

Mr. GWYNNE. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Iowa.

Mr. GWYNNE. Under this bill would the Government pay the regular rate charged by the particular newspaper?

Mr. CANNON of Missouri. Naturally space, requisitions, rates, and conditions would be largely standardized to conform to local requirements, circulation, and established rates within the trade area.

Mr. Speaker, the bill is the answer to one of the pressing questions of the day. Vast sums of money must be raised both during the remainder of the war and in the first days following the armistice. Let us get the job done in the quickest, fairest, most businesslike, most economical, most practicable way possible.

The Senate has passed the bill by a substantial majority. A majority of the House favor the bill. It is to be hoped that the committee will start hearings

and report it out in time to permit enactment before the holidays.

(Mr. CANNON of Missouri asked and was given permission to revise and extend his own remarks.)

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

(Mr. BENDER asked and was given permission to revise and extend his remarks.)

[Mr. BENDER addressed the House. His remarks will appear hereafter in the Appendix.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. PRIEST, for 1 week, on account of serious illness of his father.

To Mr. HINSHAW, for November 17, on account of official business.

To Mr. JONES (at the request of Mr. JENKINS), indefinitely, on account of illness.

ADJOURNMENT

Mr. GORSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p. m.) the House adjourned until tomorrow, Wednesday, November 17, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Thursday, November 18, 1943)

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, November 18, 1943, at 10 a. m., on House Joint Resolution 182, to create the War Shipping Field Service.

COMMITTEE ON FOREIGN AFFAIRS

(Friday, November 19, 1943)

The Committee on Foreign Affairs will begin public hearings on Friday, November 19, 1943, at 10:30 a. m., on House Resolutions 350 and 352, providing for the establishment by the Executive of a commission to effectuate the rescue of the Jewish people of Europe.

EXECUTIVE COMMUNICATIONS, ETC.

915. Under clause 2 of rule XXIV, a letter from the Administrator, Office of Price Administration, transmitting the sixth report of the Office of Price Administration, covering the period ended June 30, 1943 (H. Doc. No. 358), was taken from the Speaker's table, referred to the Committee on Banking and Currency, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 355. Resolution providing additional funds for expenses of conducting studies and investigations authorized by House Resolution 30; without amendment (Rept. No. 865). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 356. Resolution providing for the consideration of House Resolution 3477, a bill to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisals of its assets, and for other purposes; without amendment (Rept. No. 866). Referred to the House Calendar.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. House Resolution 2832. A bill to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals; with amendment (Rept. No. 867). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. House Resolution 3611. A bill to authorize the appointment of court reporters in the district courts of the United States, to fix their duties, to provide for their compensation, and for other purposes; with amendment (Rept. No. 868). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'TOOLE: Committee on the Library. House Joint Resolution 175. Joint resolution commemorating the fortieth anniversary of the first airplane flight by Wilbur and Orville Wright; without amendment (Rept. No. 869). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOFFMAN:

H. R. 3675. A bill to amend section 112 of chapter 2 of title 38 of the United States Code (Judicial Code, sec. 51); to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 3676. A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of further regulating interstate and foreign commerce in tobacco, and for other purposes; to the Committee on Agriculture.

By Mr. KLEIN:

H. R. 3677. A bill to aid in the stabilization of the economic structure of the United States after the present war by amending the Fair Labor Standards Act to provide for the gradual reduction of the workweek to 30 hours; to the Committee on Labor.

By Mr. LUDLOW:

H. J. Res. 194. Joint resolution designating November 19, the anniversary of Lincoln's Gettysburg Address, as Dedication Day; to the Committee on the Judiciary.

By Mr. DISNEY:

H. J. Res. 195. Joint resolution proposing an amendment to the Constitution of the United States relating to fiscal matters; to the Committee on the Judiciary.

By Mr. WALTER:

H. Con. Res. 56. Concurrent resolution to express the sense of the Congress that the annual Army-Navy football game for 1943 be played at Philadelphia for the benefit of the United Service Organizations, Inc.; to the Committee on Military Affairs.

By Mr. O'TOOLE:

H. Res. 357. Resolution to create a select committee to be composed of five Members of the House of Representatives to investigate the liquor distilling and wholesale liquor industries in the United States and its Territories and possessions; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KIRWAN:

H. R. 3678. A bill for the relief of Floyd E. and Lena Mae Drummond; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 3679. A bill for the relief of Col. Anderson F. Pitts; to the Committee on Claims.

By Mr. PHILLIPS:

H. R. 3680. A bill granting a pension to Mrs. Minta P. Andrews; to the Committee on Pensions.

By Mr. PETERSON of Florida:

H. R. 3681. A bill granting a pension to Margaret Haskin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3560. By Mr. BRYSON: Petition of Mrs. Ray W. Denning and 40 other citizens of Dowagiac, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3561. Also, petition of 350 citizens of Spencer, Ind., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3562. Also, petition of 199 citizens of Clarksburg, W. Va., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3563. Also, petition of Rev. W. A. Vanzant and 40 citizens of Clifton, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3564. Also, petition of Rev. J. H. Whedbee and 97 citizens of Girdletree, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3565. Also, petition of Della Noe and 100 citizens of Grand Junction, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3566. Also, petition of Bessie M. Guerhart and 133 citizens of Gilboa, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3567. Also, petition of Georgia Craig and 97 citizens of Atwood, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manu-

facture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3568. Also, petition of Rev. P. R. Hayden and 43 other citizens of Houlton, Maine, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3569. Also, petition of 127 members of the First Avenue Presbyterian Church of Denver, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3570. Also, petition of 61 members of the First Baptist Church of Puyallup, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3571. Also, petition of M. V. Van Dyke and 354 other citizens of Nashville, Tenn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3572. Also petition of Rev. Harvey R. Nelson and 67 members of the Arvada Baptist Church, Arvada, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3573. Also, petition of Mildred Browning and 50 citizens of Hyde Park, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3574. Also, petition of Mrs. J. Arthur Phelps and 20 other citizens of Pueblo, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3575. Also, petition of Dr. Howard P. Powell and 113 other citizens of Charlotte, N. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3576. Also, petition of Anna K. Sanders and 49 other citizens of McLouth, Kans., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of al-

coholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3577. Also, petition of 92 members of the First Methodist Church of Canon City, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3578. Also, petition of 51 members of the First Baptist Church of Erie, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3579. By Mr. COCHRAN: Petition of Willard D. Hayes and 20 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3580. Also, petition of Lee Cafferata, and 18 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3581. Also, petition of Albert Klemm, and 20 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3582. Also, petition of Henry Dawson, and 20 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3583. Also, petition of M. Johns, and 20 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3584. By Mr. SCHIFFLER: Petition of Ophelia McElroy and members of a class of women in the Sunday School of the First Christian Church of Wellsburg, W. Va., urging the passage of House bill 2082; to the Committee on the Judiciary.

3585. By Mr. GRIFFITHS: Petition of sundry ministers of McConnelsville, Ohio, supporting House bill 2082, which would prohibit the manufacture, sale, and transportation of all alcoholic beverages for the duration of the war and until demobilization is completed; to the Committee on the Judiciary.

3586. Also, petition of sundry ministers of Christian Churches of Caldwell, Ohio, supporting House bill 2082, prohibiting the manufacture, sale, and transportation of all alcoholic beverages for the duration of the war and until demobilization is completed; to the Committee on the Judiciary.

3587. By Mr. MOTT: Petition signed by Mrs. H. R. Martin and 17 other members of the Loyal Women's Bible Class of the First Christian Church of Dallas, Oreg., urging enactment of House bill 2082; to the Committee on the Judiciary.

3588. By Mr. STEFAN: Petition of the resolutions committee of the Nebraska Live Stock Feeders Association, Iowa Beef Producers Association, Nebraska Stock Growers Association, and Kansas Live Stock Association, declaring unalterable opposition to the continuation of the price roll-back subsidy and livestock ceiling price program, and asking that consumers of the Nation be advised that only by supporting food producers in their efforts to eliminate this unsound, economic policy which is throttling production can their hope for adequate future food supplies be insured; to the Committee on Banking and Currency.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued November 18, 1943, for actions of Wednesday November 17, 1943)

(For staff of the Department only)

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HOUSE

1. SELECTIVE SERVICE. Both Houses received the conference report on S. 763, the father-draft bill (pp. 9748-51).

As reported from conferences, the bill requires that pre-Pearl Harbor fathers be inducted last among men not deferred for other reasons so long as the filling of quotas is not interfered with; provides that the authority granted to the President under the Selective Training and Service Act can be delegated only to the Director of Selective Service; in general, prohibits the induction of registrants on account of occupation; directs the President to appoint a medical board to review physical, mental, and moral requirements of the armed forces; and permits pre-induction physical examinations. The Conference deleted the Senate limitation on deferment of Federal employees.

2. COMMODITY CREDIT; SUBSIDIES. Rep. Herrow, N. H., spoke favoring H. R. 3477, the Commodity Credit bill, and the provision prohibiting food subsidies (p. 9737).

Rep. Keefe, Wis., criticized and inserted excerpts from Rep. Patman's (Tex.) radio address favoring subsidies and discussed the dairy situation (pp. 9753-56).

Rep. Hoffman, Mich., criticized Rep. Patman's radio address (pp. 9736, 9756-58).

Rep. Patman, Tex., spoke favoring subsidies and criticized the prohibition in the Commodity Credit bill. Several Members discussed this with him. (pp. 9758-63.)

3. SELECTIVE SERVICE. Passed, 353-0, with amendments H. R. 3377, to increase the rate of pensions of World War I and II veterans (pp. 9738-48).

4. TAXATION. Agreed to the Conference report on H. R. 3363, to extend the time within which applications for relief under the excess-profits tax may be made (p. 9736). This bill will now be sent to the President.

5. EXPENDITURES. Rep. Taber, N. Y., compared his estimate of Federal expenditures (\$90,000,000,000) to the Budget Bureau's estimate (\$106,000,000,000) (p. 9737).

6. ELECTRIFICATION. Received the Federal Power Commission's 6th annual report, "Statistics of Electric Utilities in the United States." To Interstate and Foreign Commerce Committee (p. 9764.)

BILL INTRODUCED

7. SELECTIVE SERVICE. By Rep. Harless, Ariz., H. R. 368⁴, providing for the issuance of appropriate insignia to rejected or deferred registrants for military service. To Military Affairs Committee. (p. 976⁴.)

ITEMS IN APPENDIX

8. SELECTIVE SERVICE; REHABILITATION. Rep. Cochran, Mo., inserted a Veterans' Administration letter and memo describing its rehabilitation activities (pp. A5276-77).
9. PRICE CONTROL. Speech in the House by Rep. Plumley, Vt., criticizing OPA (pp. A5277-78).
10. SUBSIDIES. Rep. Patman, Tex., inserted his radio address favoring food subsidies (pp. A5279-80).
Speech in the House by Rep. Fish, N. Y., opposing food subsidies, stating, "Subsidies mean inevitably more taxes, more debts, and more bureaucrats" (pp. A5280-81).
Rep. Klien, N. Y., inserted Mayor LaGuardia's speech favoring subsidies (A5285).
Rep. Johnson, Calif., inserted Z. L. Cobb's radio address opposing milk subsidies (pp. A5288-89).
11. SELECTIVE SERVICE. Speech in the House by Rep. Fay, N. Y., favoring H. R. 3365, to increase disabled veterans' compensation (p. A5282).
12. RECLAMATION Rep. Lemke, N. Dak., inserted W. E. Warne's address discussing reclamation plans for the Missouri River basin (pp. A5282-84).
13. RATIONING. Rep. Ellis, W. Va., inserted an El Paso, Tex., article criticizing "the granting of American ration books to Mexican residents" (p. A5285).
14. SMALL BUSINESS. Rep. Johnson, Calif., inserted P. Hotchkis' address favoring free enterprise in which he states, "Take away the principle of free enterprise from our industry, business, and agriculture and you take the spark plug from the engine" (pp. A5285-86).
15. FOREIGN POLICY. Rep. Jenkins, Ohio, inserted C. H. Bartlett's article criticizing post-war collaboration with foreign nations (p. A5291).
16. WAR RELOCATION. Extension of remarks of Rep. Welch, Calif., stating, "The War Relocation Authority should be abolished," and including a San Francisco Examiner article on this subject (p. A5292).
17. INFLATION. Rep. Klein, N. Y., inserted a Washington Post article, "Republican Party Unwilling to Fight Inflation" (pp. A5297-98).
18. RUBBER. Extension of remarks of Rep. Miller, Nebr., favoring protection for the synthetic rubber industry and including an editorial on the subject (p. A5298).
19. TRANSPORTATION Extension of remarks of Reps. Harris (Ark.), Magnuson (Wash.), and Herrow (N. H.) favoring H. R. 3420, to establish Federal control over commercial aviation and including sundry communications on the subject (pp. A5288, A5292, A5293-94, A5298).
20. WHEAT SHORTAGE; SUBSIDIES. Rep. Landis, Ind., inserted an Indianapolis Star article favoring wheat subsidies (p. A5299).



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No. 177

Senate

The Senate was not in session today. Its next meeting will be held on Thursday, November 18, 1943, at 12 o'clock meridian.

House of Representatives

WEDNESDAY, NOVEMBER 17, 1943

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our life and our salvation, we praise Thee that through the ages no loftier ideal has ever been given the children of men than that exemplified by the Galilean Teacher. His star is in the firmament of humanity's hopes to which the nations look with trembling appeal. Grant that in Him our thoughts and deeds may meet, cleansing us from the dross of passion and selfish interest.

Almighty God, strong men are needed, youth is falling. Help us to go forward to do our whole duty, trusting that the human heart will make grateful response. In a world so rich and abundant, pity the man and state that see with limited vision, banishing the tremendous power of faith. It is by faith that we cultivate virtue and conquer sinful tendencies; by faith we teach ourselves to tolerate annoyances and bear the ills of life, yielding to the ever-guiding Will. It stands for the invisible realities of the universe, reminding us that thought and conscience are the eternal verities which cannot die. We bless Thee for the moral and spiritual gifts with which Thou hast endowed us and pray Thee to help us to cultivate them with precious eagerness. In the name of Him who is the inspiration of all good workmen. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1457. An act to aid in the stabilization program and the war effort by paid newspaper advertising in connection with the sale of United States bonds, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 630. An act to amend section 107 of the Judicial Code, as amended, to change the terms of the District Court for the Middle District of Tennessee.

LEAVE TO ADDRESS THE HOUSE

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that tomorrow, after the disposition of business on the Speaker's table and any other special orders, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?
There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks and include certain very important and enlightening correspondence between the Petroleum Administrator for War, Mr. Ickes, and myself.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

GOVERNMENT EXPENDITURES

Mr. JARMAN. From the Committee on Printing, I present the following resolution and ask unanimous consent for its present consideration.

The Clerk read as follows:

Resolved, That the address delivered in the House of Representatives by the Honorable CLARENCE CANNON, of Missouri, chairman of the House Committee on Appropriations, on Thursday, November 4, 1943, relative to governmental expenditures, during the fiscal

years 1939 to 1944, for war activities; interest on the public debt; other activities, nonwar items; be printed with an illustration as a House document.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. Gladly.

Mr. TABER. Is it customary to print such things as this?

Mr. JARMAN. I think so, but the gentleman is the ranking minority member on the Committee on Appropriations, and he is probably more familiar with the custom in respect to these matters than I am.

Mr. TABER. I never have heard of it before. It may be the proper thing to do, but I never heard of its being done before.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. Yes.

Mr. MICHENER. I think we ought to be very careful about such matters. If we set a precedent by printing at Government expense as a public document a Member's speech, to be sent out at public expense, where politics might be involved, we may get into trouble. The moment we do it in one case, we will be asked to do it in other cases. I am not going to object, but if we print one speech made by the gentleman from Missouri [Mr. CANNON], chairman of the Appropriations Committee, at public expense, then the next thing that will follow naturally will be a speech by the gentleman from New York [Mr. TABER], the ranking minority member of the Committee on Appropriations, and we will have started a political campaign at public expense. I hope the majority leadership will take notice.

The SPEAKER. The Chair does not desire to shut the gentleman off, but he would appreciate it very much if the gentleman from Alabama [Mr. JARMAN]

would withdraw this resolution for the present.

Mr. JARMAN. Mr. Speaker, I am happy to withdraw the resolution.

EXTENDING TIME TO MAKE APPLICATIONS UNDER SECTION 722, INTERNAL REVENUE CODE

Mr. DOUGHTON. Mr. Speaker, I call up a conference report upon the bill (H. R. 3363) extending the time within which applications under section 722 of the Internal Revenue Code must be made, which I send to the desk and ask to have read.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3363) extending the time within which applications under section 722 of the Internal Revenue Code must be made, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment No. 4.

That the House recede from its disagreement to the amendments of the Senate Nos. 1, 2, and 3, and agree to the same.

R. L. DOUGHTON,
JERE COOPER,
WESLEY E. DISNEY,
HAROLD KNUTSON,
DANIEL A. REED,

Managers on the part of the House.

WALTER F. GEORGE,
DAVID I. WALSH,
ALBEN W. BARKLEY,
ARTHUR VANDENBERG,

Managers on the part of the Senate.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CORRECTION IN THE VOTE

Mr. O'TOOLE. Mr. Speaker, on roll call No. 161, in the RECORD of November 16, 1943, I am recorded as among those not voting. I was present in my seat, and when my name was called I voted in the affirmative, and I ask unanimous consent that the RECORD and the Journal be corrected accordingly.

The SPEAKER. Without objection, the RECORD and the Journal will be corrected in accordance with the statement of the gentleman from New York.

There was no objection.

ENEMY-OWNED PROPERTY IN THE UNITED STATES

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEARHART. Mr. Speaker, according to unofficial reports that have reached my desk, the Alien Property Custodian has seized or frozen alien-enemy-owned assets and properties now within the United States of a value of almost \$8,000,000,000.

The Japanese and German owners of that magnificent estate are either in the armed forces fighting against us or otherwise working for the success of the arms of the Axis Powers.

If we follow the precedent of the last war, we will, with an "excuse, please,"

hand all of this back to its former owners, less an insignificant charge of one-half of 1 percent for custodian services.

Since this property belongs to our enemies who are intent upon our destruction, should it not be immediately sold to the highest bidder and the funds thus realized devoted to the protection rather than the destruction of these United States?

I commend to the favorable consideration of the House my bill, H. R. 3672.

EXTENSION OF REMARKS

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address by Mr. Warne, Assistant Commissioner of the Bureau of Reclamation.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that, at the conclusion of the day's business today and any other special orders, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Omaha World-Herald.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to extend my remarks and include a newspaper article on the subject of wheat.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to print therein a radio address delivered by the gentleman from Texas [Mr. PATMAN] on Monday night.

The SPEAKER. That has already been printed.

Mr. HOFFMAN. It has not been printed in the RECORD.

The SPEAKER. Consent has been given, and the Chair would not like to entertain a request to reprint it.

Mr. HOFFMAN. I do not want to reprint it. With all due deference, Mr. Speaker, we were expecting to get that radio address today. I had it yesterday.

The SPEAKER. The gentleman from Texas [Mr. PATMAN] has asked unanimous consent to place it in the RECORD.

Mr. HOFFMAN. But he did not print it.

The SPEAKER. That is in the hands of the gentleman from Texas.

Mr. HOFFMAN. I will object to other requests.

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a portion of a radio speech by

Mayor LaGuardia, in connection with subsidies.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. More than 2 years ago, the gentleman from Texas [Mr. PATMAN] withheld his remarks from the RECORD, when I took part in that discussion. I want to know now how long he can withhold the printing of this address.

The SPEAKER. The matter is in the hands of the gentleman from Texas.

Mr. HOFFMAN. Then, I ask unanimous consent that upon the close of legislative business and other special orders today I may address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. At which time I will deliver that address.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that following any other special orders today, I may address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a short editorial.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. WASIELEWSKI, by unanimous consent, was granted permission to extend his own remarks in the RECORD.)

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I have been accorded the privilege of addressing the House today for 30 minutes. I ask unanimous consent that that permission be vacated and that instead I be permitted to address the House for 30 minutes on Tuesday, November 30.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short patriotic poem.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. PLUMLEY addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on Friday next after the disposition of the legislative program of the day and other special orders that may have been entered I may address the House for 15 minutes on the subject: The Gettysburg Address 80 Years After.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GOVERNMENT EXPENDITURES, FISCAL YEAR 1944

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, in connection with the Treasury's proposed tax bill, the Bureau of the Budget has estimated the expenditures of the Federal Government for the fiscal year 1944 at \$106,000,000,000.

I estimated them at \$90,000,000,000, basing my statement on the expenditures to date.

The expenditures for the first 4 months of the fiscal year ending October 31, were \$29,720,000,000, or at the rate of \$89,000,000,000 for the year.

Month by month the records back up the statement I made to the Ways and Means Committee.

PERMISSION TO ADDRESS THE HOUSE

Mr. MERROW. Mr. Speaker, I have two unanimous requests to make: First, that I may extend my remarks in the Appendix of the RECORD and include therein an editorial from the Manchester Union, Manchester, N. H., on November 16, 1943, on the Lea bill, H. R. 3420; and second, that I may address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MERROW. Mr. Speaker, we are about to consider the Commodity Credit Corporation bill banning the use of food subsidies. I hope the measure becomes law. I favor this legislation. From hundreds of personal contacts throughout New Hampshire I find that the people in my State definitely do not wish a food subsidy program. The commissioners of agriculture in New England in making recommendations to the Governors of New England have voiced opposition to a subsidy in any form.

Food subsidies will augment the public debt, they are inflationary, they will result in increasing bureaucratic control, and they will put the Government into the business of paying the grocery bill

of the Nation. In my opinion subsidies will decrease production instead of increasing it. I voted against the use of subsidies when the question was up several months ago and my position remains unchanged. We need an adjustment in prices of certain commodities to care for increased production costs. Such procedure is infinitely preferable to subsidizing. It is time that we get away from the idea that it is possible to solve the food problems by drawing checks on the Treasury of the United States.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. ELLIS addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a patriotic poem.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article from this morning's Washington Post.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address I recently delivered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein an editorial.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose. The gentleman may extend his remarks in the Appendix of the RECORD, but not "at this point" when there is a legislative program.

Mr. O'TOOLE. Mr. Speaker, I withdraw my request.

HON. ABE FORTAS

Mr. McMURRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McMURRAY. Mr. Speaker, I have before me a letter from which I will quote one sentence. The first sentence reads:

I have submitted my resignation as Under Secretary of the Interior, and I report to the Navy for active duty tomorrow morning.

This letter is dated November 15, 1943.

I should like to suggest that there are Members of this House who owe this great American an apology for the words that have been spoken on this floor about him. The Honorable Abe Fortas, of Tennessee, is today a seaman in the United States Navy.

EXTENSION OF REMARKS

Mr. BELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter I received from the Honorable Manuel Quezon, President of the Philippine Commonwealth.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the New York Times of November 13 last.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from this morning's Washington Post by Ernest Lindley entitled "The Republican Party."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. KLEIN]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short newspaper article written by one of my constituents.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my own remarks in the RECORD and to include two editorials from the New York Sun.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. GAVIN]?

There was no objection.

[Mr. GAVIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. LAMBERTSON asked and was given permission to extend his own remarks in the Appendix of the RECORD.

INCREASING RATE OF PENSION OF WORLD WAR VETERANS

Mr. COLMER. Mr. Speaker, I call up House Resolution 338 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3377) to increase the rate of pension to World War veterans from \$40 to \$50 per month, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on World War Veterans' Legislation, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto for final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Indiana [Mr. HALLECK] and pending that I yield myself 1 minute.

Mr. Speaker, this is a resolution making in order consideration of a bill which will raise the pensions of World War veterans in certain cases from \$40 to \$50 per month and to \$60 in other cases.

I do not understand there is any opposition to the consideration of this rule, I do not understand that there is any opposition to the enactment of the legislation, therefore I shall not take any time to discuss the matter. I hope it will not be necessary to have the extended debate of 2 hours on this bill and I also hope that it will not be necessary to have a record vote on a bill that we are all in favor of.

Mr. Speaker, I reserve the balance of my time.

Mr. HALLECK. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I join with my colleague from Mississippi in the hope it will not be necessary to use an extensive amount of time for the consideration of this measure. As a matter of fact it was reported to the Rules Committee that the bill came from the Committee on World War Veterans with a unanimous report. Beyond that it largely follows the pattern of the bill which was under consideration yesterday, supplementing that bill, which was adopted by a unanimous vote.

We should not be unmindful of the fact that the Veterans' Administration estimates that the enactment of this legislation at the outset will cost the Government around \$24,000,000 a year. Those are matters which we must constantly keep in mind in connection with all public expenditures. But the vote of yesterday and the action of the House is clear evidence of the fact that the Congress of the United States is going to see to it that the veteran and his dependents, disabled veterans particularly, are adequately cared for by the Government.

It has been suggested that this legislation is in a measure designed to meet the increased living costs current today. However, as I understand the proposal, it is beyond that an approach to the precedent established by our Government in its treatment of the veterans of the Spanish-American War. The amount of increase provided in this legislation approximates the amount paid to the veterans of the Spanish-American War but with certain additional limitations and restrictions which are not present in the treatment of those veterans.

Mr. RANKIN. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from Indiana has referred to the cost of this bill as being \$24,000,000 a year, but I think he has it confused with the bill that was passed on yesterday. The estimate of the cost on this bill is \$12,768,000.

Mr. HALLECK. I am glad to accept that correction. I had the information as it was conveyed to the Rules Committee when both of these bills were before the committee simultaneously.

Mr. RANKIN. There was some confusion; this bill will cost only about half as much as the other one.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman will note also there is a limitation of income. If a single man has an income of over a thousand dollars a year, he does not get it, or if he is married and has children, and has an income of \$2,500, he does not get it. Also he must be totally and permanently disabled. There are many other restrictions. The amounts are much lower than for the Spanish-American War veterans.

Mr. HALLECK. Those are the limitations and restrictions to which I referred in my statement, but which I did not detail specifically.

It has been suggested, and I am confident it is true, that the committee reporting this bill acts in a nonpartisan way and that the consideration of this bill has been nonpartisan. Therefore, I would not want to inject a partisan note at this stage of the proceeding. I do want to express the hope, though, that this legislation will not be vetoed as certain similar legislation, although not exactly like this but following the pattern, has been vetoed in the past.

I am hopeful that the recent expressions of solicitude from the other end of the Avenue for the veteran and his dependents may indicate Executive approval of this legislation upon its passage.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I do not know that there will be a record vote upon this bill. Unfortunately, I have to be away this afternoon and if there is a record vote I will not be present. I am leaving this afternoon to attend a meeting of

the national executive committee of the American Legion in Indianapolis tomorrow morning, at their request.

I am in favor of this legislation. It is nothing more or less than a square deal to the veterans who are now receiving pensions. This is a pension measure for the benefit of the men who are receiving disability compensation at the present time and whose disabilities were not incurred in the World War. Similar to the Spanish-American War pension, an increase from \$40 to \$50 is made necessary by the increase in the cost of living. This is just a simple matter of justice and provides a fair deal to these old veterans who are now incapacitated, and have been so for the past 10 years. Had I been here on the roll call, I would have voted in favor of the legislation.

Mr. HALLECK. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, probably all the Members of the House are in favor of the pending bill, but it will not do the veterans very much good to give them an increase if the cost of living goes up.

Monday night the gentleman from Texas [Mr. PATMAN] among other things said:

So, I say, first, to you housewives, if the price of ham goes up 10 cents a pound, thank the Republicans and their radio spokesman.

Just a little later he said:

So, I say to you farmers, if you bring your hogs to market and get only 8 cents a pound, blame all the Republicans.

As long as that spread between the hog pen and the frying pan is going to take place unless we follow the gentleman from Texas and his political theories, it might be well to inquire what causes it. And it might be well to remember that the majority party with its O. P. A. and all of its other governmental agencies and regulations has absolute control over that spread.

Yesterday I was on the floor and ready to offer the complete speech made by the gentleman from Texas [Mr. PATMAN] but he said he intended to put it in the RECORD himself so I yielded and did not make the request. At that same time or a little later in the day the gentleman from Texas suggested that I should read all of his speech, so in my extension of remarks today I am going to put all of his speech in so that it can be read in connection with the remarks made yesterday and those I am making today.

The SPEAKER. The Chair has already held that the gentleman cannot do that.

Mr. HOFFMAN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Does the Chair hold that in extending my remarks when I

Mr. MURPHY. Mr. Speaker, on another occasion I intend to address the House at length on the achievements of the sons of Pennsylvania. They have had a glorious record in the history of this country, and in restricting my remarks at this time to the gentleman from Pennsylvania [Mr. McGRANERY] I feel that it will be recognized that the House has been honored by his integrity, his ability, his honesty, and his industry and character. I am sure that he will grace the position he will hold from tomorrow on with that other distinguished Pennsylvanian, the Attorney General of the United States.

Mr. McCORMACK. Mr. Speaker, if the gentleman from Wisconsin [Mr. KEEFE], who is about to be recognized by the Speaker under special order, will yield to me, I rise to express appreciation to the gentleman from Wisconsin and the others who have special orders, for permitting this eulogy to be paid to our distinguished colleague [Mr. McGRANERY]. I consider that a very gracious act on their part, and I want the RECORD to carry the fact that the gentleman from Wisconsin [Mr. KEEFE], and others, have graciously stepped aside.

Mr. KEEFE. And I may say to the distinguished majority leader that I was honored and delighted, so far as I am concerned, to step aside and waive a portion of my time to permit the expressions of eulogy which have been paid to our colleague [Mr. McGRANERY].

EXTENSION OF REMARKS

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a short letter published in the New York Times today.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION IN THE VOTE

Mr. ELSTON of Ohio. Mr. Speaker, I find that my name is not recorded on the last roll call on the bill H. R. 3356, to increase World War veterans' pensions. I was present and voted "yea" on the first call, and I ask unanimous consent that the RECORD and the Journal may be corrected accordingly.

The SPEAKER. Without objection, the Journal and the RECORD will be corrected in accordance with the statement of the gentleman from Ohio.

There was no objection.

SUBSIDIES

The SPEAKER. Under previous order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. KEEFE] for 30 minutes.

Mr. KEEFE. Mr. Speaker, in a statement to the Nation on the time of Mr. Fulton Lewis, Jr., night before last, the gentleman from Texas [Mr. PATMAN] made a violent political speech. This speech thoroughly disclosed the sinister political character of his arguments in favor of subsidies. In effect he charged that the members of the Republican Party were in a conspiracy to raise the cost of living to the consumer. In order

that there may be no mistake, and so that I may not misquote the gentleman, I read from the transcript of the speech:

If the bill, as proposed by the Republicans, is adopted, there is only one other alternative to letting food costs go up, and that is to let farm prices go down. I say to you farmers, if you bring your hogs to market and get only 8 cents a pound, blame the Republicans; if you bring your beef cattle to the auction pen and get only 9 cents for good steers, blame the Republicans; if milk goes down 50 cents a hundredweight or more, if your vegetable crops, your wheat, and other commodities are reduced in price, you can blame the Republican Party, which would, as I have said, gamble with the Nation's welfare in a reckless, shameful conspiracy to rise to power from the confusion and anarchy which would attend the abandonment of stabilization. Out of the chaos which follows inflation, these conspirators hope for the dissatisfaction which may lead to the election of a Republican President in 1944. For this purpose the Republican conspirators are willing to throw to the wolves of inflation the farmers of America, the laboring people of America, and the soldiers of America, along with their wives, their mothers, and their children, who must live upon a few dollars a month, while food prices and wages will soar.

Now, Mr. Speaker, the gentleman from Texas is here on the floor and as one member of the Republican Party, I want to denounce this speech in the strongest language that the rules of the House will permit. As one member of the Republican Party and on my responsibility as a Member of this great body, I say to the gentleman from Texas that I know of no such conspiracy. I have never heard of such a conspiracy until he uttered those words, and such a contention on the part of the gentleman from Texas is, in my opinion, like most of his other arguments in favor of subsidies, taken from the thin air and made out of whole cloth. I ask the distinguished gentleman from Texas whether or not he is of the opinion now as he sits in this Chamber, that a responsible group of a considerable number of Democrats on his side of the House are in opposition to the position which he takes on the subject of subsidies. Does the gentleman from Texas care to answer?

Mr. PATMAN. Does the gentleman want me to reply? I have 30 minutes after he and the gentleman from Michigan complete their addresses to the House, and I shall be very glad to reply at that time.

Mr. KEEFE. Does the gentleman care to reply now?

Mr. PATMAN. No; I will reply in my own time in my own way. The gentleman might cut me off.

Mr. KEEFE. I will not cut the gentleman off. But I will say, I just asked the gentleman that question out in the lobby a few moments ago, and the gentleman very frankly admitted in my presence and in the presence of several other Members of Congress that he was very well aware of the fact that he was in the minority in this body in his contention, and that a large number of Democrats on his side were not following him in his argument.

Mr. PATMAN. Will the gentleman yield?

Mr. KEEFE. I do not yield now. I do not care to yield now. I gave the gentleman an opportunity. So I ask the gentleman this question: When you made the statement over the air the other night and denounced the Republicans of this country in the unbridled language which you used, why did you not include as members of that conspiracy the members of your own party that control the committee that reported this bill to the Congress? Why did you not denounce the gentleman who is a member of your party and who is the chairman of the committee that reported the bill that you denounced, and which you say results from a Republican conspiracy? Why did you not, in fairness and justice, include in your denouncement your fellow Democrats who denounce your position and have done so repeatedly, and who will vote for the Steagall bill? The unfairness of the attack made upon the Republicans of this country is too apparent for further comment, and the sinister political implications that are to be found in the constant arguments of the gentleman from Texas are too clear to need further exposition or explanation from me. I might just as well charge here, in the well of the House, that the gentleman from Texas is engaged in a conspiracy to wreck and ruin the financial structure of our Nation. I make no such charge. The gentleman from Texas is entitled to hold and maintain and express his considered opinion on this subject or any other subject, and I will afford him every opportunity to give expression to his opinions, and defend his right to so express his opinion.

In my judgment, however, it ill becomes a Member of Congress, whether on the floor of this House or speaking over the radio to the Nation, to broadcast wholesale the charge that the Republicans of the Seventy-eighth Congress without exception are engaged in a conspiracy to take bread out of the mouths of the mothers and fathers and dependents of servicemen. I say to the distinguished gentleman from Texas that the record will disclose that the sons of Republican Members of Congress are fighting on the battle fronts of this war alongside of the sons of Democratic Members of this House. I think it ill becomes anyone under those circumstances to preach in one breath the necessity for unity in the public interest and in the next breath make a statement to a Nation-wide audience that can have no purpose or effect except to spread disunity and dissension.

Mr. Speaker, we are advised that a wage increase has been granted to the United Mine Workers and that a contract entered into between the Government, as operator of the mines, and the employees, has been approved by the War Labor Board and the President. Immediately the Office of Price Administration at the insistence of Mr. Ickes, has suggested an increase of approximately 60 cents a ton to the consumers of anthracite coal and a variable increase in the price of bituminous coal. The newspapers quote Mr. Ickes as saying that the proposed increases to the consumer are not high enough.

As an illustration of the loose and unbridled character of the argument of the gentleman from Texas, may I direct your attention to a discussion which appears on pages 9725 and 9726 of the *RECORD* of yesterday, November 16. The gentleman who is now addressing you asked the gentleman from Texas this question during the progress of the discussion on the floor, when the gentleman from Texas was speaking.

Does the gentleman contend that that prospective increase in the price of coal to the consumers is the result of a conspiracy on the part of the Republicans, or is it due to the bungling of the labor situation in this case and the handling of the whole labor problem, which has resulted in a wage increase that necessitates an increase in the price of coal?

The gentleman evaded an answer to this question, and those of you who were here or have read the *RECORD* will remember the long statement which he made, in which he said, in part, and I quote:

You see, oftentimes we cannot see the forest for the trees and we cannot see the good things we are doing because of picking out some little, insignificant something. I will admit that is a violation of the stabilization agreement, and I hate to see it very much. There are a lot of things that happen that I do not like.

I again pressed the gentleman by repeating the question:

Does the gentleman contend that the proposed increase in the cost of coal which is an element of inflation is due to a conspiracy on the part of the Republican Members of this Congress, as you charged in your speech last night?

The gentleman from Texas answered, and I quote:

With reference to that particular thing, the Republicans were not responsible for it as such. But, in comparison with the harm that you are about to do, this will sink into insignificance.

Further on in his statement, the gentleman from Texas said:

What is 60 cents a ton on coal compared with 9,000,000 boys in the war and a national debt of over \$100,000,000,000?

There you have a typical example of the loose and flimsy character of most of the argument of the gentleman from Texas. He charged in the speech to a Nation-wide audience that the Republicans were in a conspiracy to raise the cost of living to the consumer. Then when his attention is directed to a specific case, involving a very substantial increase in the cost of living to the consumer, arising from the proposed increase in the price of coal, an article that is necessary for every home and every manufacturing plant in the country, the gentleman is forced to admit and concede, very grudgingly, that this increased cost to the consumer is in no way the result of any action on the part of the Republican minority in the Congress.

He attempts to belittle the proposed additional cost to the people of the country in the price of coal, and treats it as insignificant. If a 60-cent-per-ton increase in the price of anthracite coal is to be considered insignificant, I ask the

gentleman from Texas, why is it then that he has spent hour after hour here on the floor of this House, crying out against the terrible dangers of inflation that might be involved in an increase of seven-eighths of one cent on a can of peaches or peas?

Well, what is sauce for the goose ought to be sauce for the gander. But it does not appear that in the argument on this subject of inflation that old adage holds true. The gentleman takes every argument he can lay his hands on to sustain his nebulous position.

After reading some of these speeches I am afraid that some of the figures used therein may be subject to a different interpretation than that placed upon them by the distinguished gentleman from Texas. The gentleman if he is fair will find—and I know that he means to be fair—that a large portion of the threatened increase in the cost of living to the consumer has arisen because of the failure of this administration to deal realistically with this subject of price control. Perhaps nothing further is necessary to be said upon the subject. I think Mr. Fulton Lewis, Jr., so effectively answered the gentleman from Texas last night that any further comment from me would be like an anticlimax. The attempt of the gentleman from Texas to make a political issue out of this grave economic question accompanied by his intolerant accusations against all people who disagree with him has nullified in the minds of thinking people the effectiveness of his entire argument.

I say to the gentleman from Texas that the people back home who find it increasingly difficult to secure the necessities of life regardless of price take little stock in many of the arguments presented by the gentleman in his frenzied efforts to block the passage of the Steagall bill. What do I mean by that statement? Let us look at a few facts that I will now call to your attention. Let us for a moment examine the situation which exists in the cities of Fond du Lac and Oshkosh, Wis., 2 fine cities within my congressional district. Many cities of similar size not only in Wisconsin but in other parts of the country are similarly and likewise affected. These 2 cities of Fond du Lac and Oshkosh are located in the very heart of the great milk-producing area of this country. The people in these 2 cities are faced with a shortage of fluid milk. Think of it! Fond du Lac County, Wis., is not only one of the great milk-producing counties of this Nation, but Winnebago County, which is my home county, which lies next to it, also is one of the great milk-producing counties of the entire Nation and yet the people who live in the cities of Fond du Lac and Oshkosh, within these counties, cities of over 25,000 population, are faced with a threatened shortage of fluid milk. What has happened to bring about this threatened shortage? Let us think about it just a little bit in terms of realism.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. Not right there.

Each city has its local distribution agencies. The milk supplied to these distribution agencies comes from farms and is delivered to the plants where it is processed and bottled for distribution to the consuming public. Many of these plants have been in existence for over 50 years, and regular channels have been established in the flow of milk from the farm into these distribution agencies. You must bear in mind that these distribution agencies or outlets do not own the cows from which the milk comes. A lot of people here in Washington do not seem to understand the simple fact that these distribution agencies must purchase this milk from farmers in a highly competitive market. The farmer very naturally will dispose of his milk to the agency offering the highest price.

What has happened? The O. P. A. has fixed the price of milk to the consumer in these communities. The retail price of milk that the distributors sell to the ultimate consumer determines the price that the distributor can pay to the farmer for his milk. That is clear, is it not? Under the O. P. A. price ceiling all retail milk in the cities of Oshkosh and Fond du Lac, Wis., in the heart of the milk-producing area of this Nation, are subject to a price ceiling which permits the payment of only 77 cents a pound for butterfat. These distributors that supply these communities therefore are prohibited from paying the farmer that produces the milk more than 77 cents a pound on a butterfat-content basis.

We now find that a new wrinkle has worked itself into this situation: The big distributors of fluid milk, the big monopolistic influences, the great big boys that you fellows on the right said you were going to drive out of the temple, these money changers, these monopolists that we heard talked about in 1932, 1933, and 1934, that you were not going to permit to survive, that you were going to drive out of existence, well, they seem not only to be thriving but they are expanding at a most alarming rate and multiplying their operations so that you can hardly count them. And what are they doing? They are the aggregations of wealth and capital. They are coming up into my district and all over the State of Wisconsin and they are buying little cheese factories and little creameries and paying the owners of these factories, in some cases, double a fair price for them. Why? I know of one factory that was purchased that was not worth to exceed \$25,000, yet they paid \$50,000 for it without batting an eye. Why, if you please? I will tell you why, and you ought to begin to think about this. The men who are crying out for milk and food, the people who are interested in getting food scattered on an equitable basis throughout this country should consider this. You will not be able to laugh it off with a lot of cries about conspiracy and Republicans. Oh, no; here is what they are doing. We find that the big distributors of fluid milk are picking up cheese factories and creameries strategically located in the milk-producing area, factories and creameries that used to produce cheese and butter; and these big monopolistic influences are now con-

verting those factories into centers for the preparation and shipment of fluid milk, putting the cheese maker and the butter maker out of business. Is it not clear, therefore, that if these people can pay the farmer more for his milk than the local distributor is permitted to pay under O. P. A. ceilings the big boy will siphon off the flow of milk into his factories and the local distributor will be sitting with his plant and no milk to process?

What happens? We find that in the city of Fond du Lac yesterday the great Borden plant in that town was paying the farmers in that community for their milk on a butterfat base 89 cents a pound. John Jones, living here, takes his milk to the local distributor, getting 77 cents a pound, compelled by O. P. A. price ceiling. Bill Smith, next door, sells his milk to the monopoly, getting 89 cents a pound for the butterfat. What would you do if you were a farmer? Why, you would take your milk to the factory where you could get 89 cents a pound, of course.

What do they do with it? Is it not clear that these big companies are threatening to drain off the local milk supply of local distributors and that this attractive price would naturally cause the farmer who produces the milk to send his product to the factory that would pay this 12 cents per pound premium? You may well ask why it is that Borden and Kraft can pay 89 cents a pound for butterfat while the local distributors are held to a price of 77 cents. Oh, that is where this glorious O. P. A. and all the rest of these outfits that are dealing with this food distribution system come into play. That is where this outfit the gentleman from Texas is defending all the time comes into the picture. Let me see if I can make that plain. The answer should be perfectly obvious.

The big boys ship this milk into the various milkshed areas scattered throughout the country where the price of milk is controlled by milk marketing agreements and not by price ceilings of O. P. A. They can take this same milk out of my county or out of Fond du Lac County and ship it to Chicago, to Philadelphia, to Boston, perhaps even to Washington or to Atlanta, Ga., and get a price for that milk under the milk marketing agreement prices that will enable them to pay 89 cents a pound for butterfat as against the inflexible price put upon the local distributor by O. P. A. of 77 cents.

The SPEAKER. The time of the gentleman has expired.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that I may proceed for another 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

Mr. PATMAN. Mr. Speaker, reserving the right to object, and I have no intention of objecting, yesterday the gentleman from Michigan rather set a precedent in this regard. He said no one should take extra time if there were others who had special orders. If he wants to set a precedent, I invite this to

his attention, but I shall not object myself. I shall be very glad to hear the gentleman from Wisconsin because I want to answer him.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, my understanding of the rule was, and if I am not correct I trust the Speaker will inform the House, that when there were other special orders, to save embarrassment to those who were to follow—I follow in this case and I shall not object on that account—the Chair ordinarily would not recognize a request for additional time.

The SPEAKER. The Chair always states that there are other special orders to follow, and then asks if there is objection. Both gentlemen who have time following the gentleman now addressing the House are on the floor.

Mr. EBERHARTER. Mr. Speaker, reserving the right to object, in view of the fact several pertinent questions have been asked by the gentleman from Wisconsin of the gentleman from Texas, in all fairness I believe the House should hear the gentleman from Texas as soon as possible. I will not object.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

Mr. KEEFE. Mr. Speaker, I also want to call attention to the fact that these large operators, in addition to their ability to ship this fluid milk around the country to whichever market will gain them the best price, are also equipped, because of the large character of their business, to take and convert any excess fluid milk that comes into their possession into manufactured products, ceilings on which permit payment to the farmers of a much higher price than the local distributors can pay for fluid milk under local O. P. A. ceiling regulations. The local distributors in the cities of Fond du Lac and Oshkosh, and I refer to those two because I am very familiar with the situation there, are faced with the threat of being driven out of business, and the citizens are faced with a definite shortage of fluid milk. They have petitioned the O. P. A. at Chicago for a review of their price structure in order that they might be able to compete in some measure with the great corporate interests, and be able to pay their farmers a price that will secure a supply of fluid milk for local consumption.

One petition was filed on August 12, 1943. Even though the situation locally was extremely critical, nothing has been heard from it since that time. Day before yesterday the petitioners of Fond du Lac were advised by the O. P. A. in Chicago that that office did not have jurisdiction, that the matter would have to be referred by the Chicago office with their recommendation to the Washington office of O. P. A. It now appears that their petition will have to be passed upon by the gentleman in charge of price fixing and in charge of dairy and poultry products down here in the office of O. P. A. I called the gentleman this morning, I think he is a fine gentleman from all I understand because he comes from down deep in Texas, and he advised me that he did not understand

much about the situation because he had only been on the job about 2 weeks but that he would get busy and try to locate this petition and see if some action could not be taken on it.

He further advised me that even if his office did approve a flexible change in the local price structure of milk to enable these distributors to compete and stop this milk from going away from the communities there, and assure a supply of milk to the local citizens, it still could not be effective until it was approved by the War Food Administration. Then, after the War Food Administration had passed upon it, if we were successful in getting their approval, it would finally have to be submitted to Judge Vinson for his approval—this in the face of a critical emergency demanding at least 1 cent a quart increase in the price of milk to allow milk to flow in natural distribution channels to these people and to allow the distributors to remain in business. The businessmen and farmers must adopt the cumbersome ramifications of Government control and must explore all these bypasses that have charge of the milk distribution business. I assure you that it requires the application of constant pressure as a last step to enable these people to save their businesses and to assure the citizens of those communities an adequate supply of fluid milk.

I feel reasonably certain that, faced with the alternative of no milk or a small increase in the price accompanied by an assured supply, the citizens of Fond du Lac and Oshkosh will find no difficulty in registering their position.

May I say to the gentleman from Texas while we are on the subject, in his reply to me, does he consider the proposed increase of 1 cent a quart in the supply of milk in this particular area, and which is limited to this area alone, to be puny and insignificant, as he described the proposed increase in the price of coal? If he does not contend that the proposed increase in the price of coal is inflationary, I would like to have the gentleman explain how he figures that a proposed increase in the milk price to the consumer in those two communities could be considered inflationary. I am not contending that the price of 89 cents to the farmer is too high. I am not asking that this price be reduced. We are asking that the producers for the local markets be granted a price that will enable local distributors to meet this competition and assure to local people an adequate supply of fluid milk.

The whole supply and distribution of fluid milk is so involved with O. P. A. regulations, milk-marketing agreements, O. D. T. orders, and restraints and restrictions of all kinds, that the people in a great milk-producing area are threatened with disaster as far as their supply of fluid milk is concerned. It is sincerely to be hoped that the O. P. A., the War Food Administration, and the office of Judge Vinson will immediately explore this critical situation and give effective relief before it is too late.

Mr. McMURRAY. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Wisconsin.

Mr. McMURRAY. The gentleman was talking about the diversion of this milk from the home market. Can the gentleman give us some idea of how the amount of milk distributed in the home market in Oshkosh or Fond du Lac compares with the amount distributed in 1940? Is diversion the only significant factor in the local shortage or is increased consumption one of the major causes?

Mr. KEEFE. If the gentleman understood the milk distribution situation, he would know that this milk of which I am speaking, which for over 50 years has flowed into these communities from surrounding farms to supply the local citizenry with fluid milk, would never go away to Philadelphia, or Baltimore, or Atlantic City, or Atlanta, Ga., were it not for the regulations which permit these monopolists to get such a high price for it in those far-off communities that they can afford to pay the farmers around Oshkosh and Fond du Lac more than they are permitted to be paid under the local O. P. A. price regulation. I may say further to the gentleman that increased demand is to be noted in the large cities referred to. It no doubt arises from the unusual concentration of war workers in these areas. I may say further, however, that Fond du Lac and Oshkosh are also crowded with war workers and these men and women are certainly entitled to an adequate supply of fluid milk. The reason they are threatened with restriction grows out of the unreasonable price differential heretofore referred to. We are simply asking that the local distributors be given a price increase sufficient to permit them to compete.

(Mr. KEEFE asked and was given permission to revise and extend his remarks in the RECORD.)

EXTENSION OF REMARKS

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill passed today, H. R. 3377.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

LEAVE TO ADDRESS THE HOUSE

Mr. FURLONG. Mr. Speaker, I ask unanimous consent that on Friday next, after the disposition of business on the Speaker's table and other special orders, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection?
There was no objection.

FATHER FRANCIS J. HAAS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] and the gentleman from Texas [Mr. PATMAN] each have special orders, but if there be no objection on their part, I shall put the gentlewoman's request. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, tomorrow at St. Andrew's Cathedral, in the city

of Grand Rapids, Mich., a signal honor will be conferred on a man who has spent many years of his very active life here at the Nation's Capital.

As one who has had the privilege of knowing Monsignor Francis J. Haas, and his great contribution to humanity, I offer my public tribute to him today in anticipation of his consecration as bishop of Grand Rapids—a great American, a great churchman, a great scholar, a great teacher and one of the greatest champions of his fellow man. Bishop Haas will bring to his new responsibilities not only an unusual knowledge of church affairs, but added to that a comprehensive understanding of government in its relation to humanity.

He was born in Racine, Wis., educated at St. Francis Seminary, Johns Hopkins University, Baltimore, and the Catholic University of America, Washington, D. C., where he served as director of the national school of social service and later became dean of that school, which post he held until the present time.

Realizing that government was closely connected with human problems, Father Haas became greatly interested in serving the state as well as the church. In the depression of 10 years ago, he became actively interested in the recovery program and served on the advisory board of the National Recovery Administration. He was one of the original members of the National Labor Relations Board and served as a special conciliator for the Department of Labor since 1935, in which capacity he has participated in the settlement of more than 1,500 strikes. His tolerant, human attitude to the problems not only of labor, but of industry, endeared him to all with whom he came in contact during his many years of public service. His most recent public service was his appointment by the President as chairman of the President's Fair Employment Practices Commission which he resigned upon his appointment as Bishop of Grand Rapids by His Holiness, Pope Pius XII.

No words of mine can describe Monsignor Haas' great service as well as an excerpt from the President's letter to him on accepting his resignation as chairman of the F. E. P. C. I quote:

In all the posts of responsibility in which you have served your Government, you have shown a humanity and skill which both church and country greatly need in these difficult days.

Mr. Speaker, I thank the gentleman from Michigan very much for yielding to me.

Mr. HOFFMAN. And, Mr. Speaker, I may say to the gentlewoman from New Jersey that it is always a great pleasure to yield to her.

EXTENSION OF REMARKS

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Secretary of the Interior, Mr. Harold Ickes.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

SUBSIDIES

The SPEAKER. Under special order of the House heretofore made, the Chair recognizes the gentleman from Michigan [Mr. HOFFMAN] for 15 minutes.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman's own remarks?

Mr. HOFFMAN. Yes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. And I take this occasion, Mr. Speaker, to ask the gentleman from Texas [Mr. PATMAN] if he intends to have printed in the RECORD tonight, so that it will be available tomorrow, the remarks that he made on Monday night over the radio, and which I was prevented from inserting in the RECORD.

Mr. PATMAN. Does the gentleman ask me a question and does he want me to answer it?

Mr. HOFFMAN. I would not have asked the question if I did not want the gentleman to answer it.

Mr. PATMAN. I will state to the gentleman for his benefit and information that the speech referred to was turned over to the Government Printing Office, but not in time for insertion in the RECORD which appeared this morning, but I feel reasonably certain that it will be put in tonight, and I assure the gentleman I am just as anxious to have it appear in the RECORD as he seems to be able to read it.

Mr. HOFFMAN. And I assure the gentleman that as a piece of fiction, as fallacious reasoning, it is a masterpiece, and I recommend it to everyone interested in nonfactual assertions, in illogical conclusions. I now apologize to the gentleman from Texas because I objected yesterday when he asked for an extension of time on a special order. It has been my understanding, and, indeed, I have definite recollection of a statement made by the then Presiding Officer that when a request is made for an extension of time by one having a special order, and other special orders are to follow, that the Chair would not recognize the gentleman speaking for a request of that kind, the point being that a refusal to put the request saves embarrassment to subsequent speakers. For instance, if one has a special order following mine, say that I have 10 minutes, and I then ask for 10 minutes more at the expiration of the first 10 minutes and others have orders to follow, naturally they do not want to object, and at the same time they do wish that I would quit. There was some foundation, at least I thought there was, for my statement yesterday of the understanding which I had of the proper procedure. If Members will look at page 9588 of the RECORD of Saturday, November 13, they will find where the gentleman from Minnesota [Mr. H. CARL ANDERSEN] asked for permission to speak for an additional 10 minutes. I think the gentleman from Tennessee [Mr. COOPER] was in the chair. In any event the Speaker pro tempore said:

It is not customary for a Member to double his time.

Mr. H. CARL ANDERSEN. Will the gentleman put in the concluding remarks?

Mr. HOFFMAN. Not now. The gentleman was granted the time. The ruling, as I understand it, is made to save embarrassment to those who have subsequent special orders. I only make this statement because I feel now that in view of the ruling today that I owe the gentleman from Texas an apology, which I hereby make, and which he may extend at large in his own remarks, if he wishes, for the objection made by me yesterday.

Mr. Speaker, I had intended today to refer at length to the address of the gentleman from Texas [Mr. PATMAN] which was prevented from being inserted in the RECORD. But the gentleman from Wisconsin [Mr. KEEFE] has quoted so extensively from it and answered it so completely that it seems to me further comment on that talk is unnecessary, except to call attention to one thing which the gentleman said, and which I put into the RECORD yesterday twice, and again today, which was this, that the gentleman from Texas made this statement:

So, I say first to you housewives, if the price of ham goes up 10 cents a pound, thank the Republicans and their radio spokesmen, and so I say to you farmers, if you bring your hogs to market and only get 8 cents a pound, blame the Republicans.

Then when I made that statement from the floor of the House the gentleman from Texas—and it is on page 9728—made this statement:

Will not the gentleman from Michigan read more of the talk that was made on last night? If by doing so he will discover that the only alternative to increased prices, without subsidies is lowering the price of the farmer. He was reading the other alternative. He did not read the explanation above it. I hope he reads it.

I will say to the gentleman that I did read it. I read it again after I returned to my office, and I could not get rid of the thought that having control of the Government, having control of the legislative branch, the judicial branch, the executive branch, I could not get rid of the thought that if there was something wrong somewhere, if somebody was racketeering, if someone was profiting, there was no one to blame except those who were in control—this administration.

That was the only point I was trying to make. If the price of meat from the hogpen to the frying pan goes up, as he said, too much, if 10 cents a pound is added; if the price to the farmer for the hog goes down, who is to blame except the gentlemen who are regulating prices, the O. P. A., and the champion of the O. P. A., the gentleman from Texas [Mr. PATMAN]? It was to again bring that thought to the minds of the Members that today I repeated the statement; and then having had unanimous consent to speak out of order, having had unanimous consent to revise and extend my remarks, and having been told yesterday by the gentleman from Texas that I did not give the correct impression to the Members of the House,

when I quoted him, it was only then that I asked permission in my extension of remarks which I have been authorized to make, to include all of the gentleman's statement. Then the ruling was against me. Here is what occurred:

I said that last Monday night the gentleman from Texas [Mr. PATMAN] among other things said, and so on, and I quoted him.

Then I said this:

At that same time or a little later in the day the gentleman from Texas suggested I should read all of his speech, so in my extension of remarks today I am going to put all of his speech in so that it can be read in connection with the remarks I made yesterday and those I am making today.

I did not want anyone to believe for one moment I was misquoting the gentleman. I did not want anyone to believe, if I could avoid it, that my conclusion of the effect of his remarks was erroneous, so in fairness to everyone I just asked here, as anyone might do, that I might put in all that the gentleman said, so that everyone would know just what he did say and whether or not I was wrong in my conclusion.

So in my extension of remarks today I am going to put in all of his speech so that it can be read in connection with the remarks I made yesterday and those I made today.

The SPEAKER. The Chair has already held that the gentleman cannot do that.

Mr. HOFFMAN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Does the Chair hold that in extending my remarks, when I refer to his speech, I cannot put the rest of it in and comment on it?

The SPEAKER. That is what the Chair had held.

Mr. HOFFMAN. That amounts to censorship of speech by a Member.

The SPEAKER. The gentleman from Michigan understands the situation.

As I understand the rule, and I am only referring to this because I am trying, not to complete, but to add to my knowledge of the rules and my parliamentary education, I have always understood that when the accuracy of the conclusions of a man were challenged as to an utterance, he had the right to put in the whole statement. Who was right? Who was wrong? The answer can be found only in the record of what was said. Unless that is permitted, how can the truth be learned? Otherwise how can there be freedom of speech; how can there be freedom of expression unless remarks made on the floor under permission to revise and extend may be revised to include relevant material parts of the same talk which was being discussed. I am not asking these questions by way of criticism, because I had a remedy. I could have appealed from the ruling of the Chair. I did not do that. And I am only again repeating it so that the Members of the House may understand the situation so they can be advised in the future as to what they may or may not say.

The SPEAKER. The Chair desires to make this statement.

Mr. HOFFMAN. This is not taken out of my time, Mr. Speaker?

The SPEAKER. No; it is not. The gentleman may proceed.

Mr. HOFFMAN. I regret that I was not advised, because I join with all the other Members of the House, in the greatest admiration for the present occupant of the Chair, and I say that sincerely. I only want to call attention to the fact that sometimes here on the floor even pertinent and relevant matters by way of explanation, at least once, were not permitted to go into the RECORD. I shall not, as I might, attempt to put anything more from the gentleman's radio talk in the RECORD in the revision which I have permission to make now than I have already said.

From a political standpoint, I want to thank the gentleman from Texas [Mr. PATMAN] for the speech he made the other night—purely from a political standpoint, because he has driven the Republicans together. He has made some of those who did not realize the situation understand just what we are up against. The membership will recall that more than a year ago, some 30-odd people were indicted for sedition. You will recall that in a publication entitled "The New Republic," some 96 Members of the House and Senate were charged with being subversive and with subversive activities, practically of being guilty of sedition. Not so very much attention was paid to that, and that viewpoint was repudiated by the people at the next election, overwhelmingly so. Yet there were those who thought that they might escape the same kind of smear if they just went along and kept still. I know Republicans who have never said a word against this administration from the floor; who have never criticized anything that has been done, and yet those Republicans must realize now since Monday night, when the spokesman, we might say, of the subsidy plan, the spokesman in this instance of the administration, charged all Republicans—all Republicans—with being in a conspiracy to lower prices to the producer and raise prices to the consumer. A conspiracy is the criminal planning and action of a group. That is what that charge means. The gentleman charged Republicans with being in a conspiracy, as the gentleman from Wisconsin [Mr. KEEFE] said, to increase the cost of living to the wives of our sons who are fighting in this war. A charge so foul, so false, it needs no denial.

I want to close with this admonition. Do not think for one moment, if you sit on this side of the aisle, that you will escape the smear carried on by the administration, by its agents, by its Communist allies, by its internationalist allies. Do not think that by keeping still and being good boys and good girls that you are going to escape it. To the gentleman from Texas I say there is just one thing for Republicans and Democrats who believe in our form of government to do, and that is to unite, shoulder to shoulder. Meet the remakers of America every day, when they advance one of the fallacious schemes, all tending to destroy constitutional government. Meet them shoulder to shoulder and let them know from the well of the House that we recognize what they are trying to do, and that we do not propose

to be divided on our own side in our opposition to them.

The SPEAKER. The time of the gentleman has expired.

Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

SUBSIDIES AND REPUBLICANS' INFLATION POLICY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein certain statements and excerpts in connection therewith, and pertinent thereto.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the gentleman from Michigan [Mr. HOFFMAN] said the Democrats have been in power 10 years and therefore we should be responsible for everything; and the Democrats should be responsible for everything in connection with the policies of the Government. But I think he should take into consideration that the Democrats found the Government and the country in very bad condition when they took it over in 1933. All the banks were closed. Not a bank in America was open. Bread lines were miles long. Homesteads were being foreclosed all over the Nation. There were from nine to twelve million people without jobs. The party in power had done absolutely nothing to try to remedy the situation. We have had so far to go since the Democrats took over.

Now, in connection with this radio speech—and I want to say now that if anything should happen that I am deprived of the privilege of the floor for the purpose of finishing this address—I am not anticipating it myself, but I know that sometimes people have differences of opinion and may use tactics to stop me—tomorrow I presume the Commodity Credit Corporation extension will be up for consideration, and at that time I understand we will have 8 hours' debate. We are supposed to have 4 hours on our side. So if we do not have the time we want today, we will certainly have it tomorrow or the next day.

With reference to that speech that the gentleman from Wisconsin [Mr. KEEFE], kindly referred to, I desire to invite his attention to something that he did not read.

You know that Raymond Clapper was voted by his colleagues in the Washington press gallery as the fairest and best-informed columnist writing about national affairs. Mr. Clapper says something here that the gentleman from Massachusetts [Mr. MARTIN] denies a part of; and I want to be perfectly fair and state that the gentleman from Massachusetts [Mr. MARTIN] denies a part of it, but I am only doing it in connection with other remarks that I want to make.

Mr. Clapper said:

The trouble is that large groups want to get rid of all Government controls. They want the lid off prices. They are fighting to end subsidies. But powerful political pressure has been created on Congress. The Republicans have joined in. Several Republicans on the Banking and Currency Committee were understood to have favored con-

tinuing subsidies but after having lunch with JOE MARTIN, they unanimously went against the administration. Take off price control, let everybody collect all the traffic will bear. That is the game about to be put over in Washington.

That is a quotation from Mr. Clapper. That is corroborated, all except the luncheon part of it. I am not going to have anything to do with that because the gentleman from Massachusetts says that he did not.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield gladly to the distinguished minority leader, Mr. MARTIN of Massachusetts.

Mr. MARTIN of Massachusetts. I wish to tell the gentleman, if he wants to be thoroughly accurate, that no effort was made by me to influence the vote of any member of the Banking and Currency Committee.

Mr. PATMAN. I concede that, knowing the gentleman as I do; but did he make any appeal to the members as Republicans to all stick together?

Mr. MARTIN of Massachusetts. Never a word.

Mr. PATMAN. The gentleman did not ask them to stick together?

Mr. MARTIN of Massachusetts. Not at all.

Mr. PATMAN. There was no such suggestion or intimation?

Mr. MARTIN of Massachusetts. Not at all.

Mr. PATMAN. In caucus, conference, private conversation, or otherwise?

Mr. MARTIN of Massachusetts. Not at all, because I knew when that bill came up the sentiment would be overwhelming and there was no reason to speak about it.

Mr. PATMAN. But the gentleman wields a very powerful influence even without the power of suggestion being used.

Mr. MARTIN of Massachusetts. I appreciate the gentleman's compliment to the Republicans being able to visualize things.

Mr. PATMAN. Yes, sir; it is certainly strange in view of my knowledge of this particular case, because I can visualize it. I think others in our committee will testify that that is the only time the Republicans ever voted together solidly; and that is what they did this time; and that was a very strange thing indeed. We all of course have differences of opinion, but the Republicans never all vote together in a block; a few Republicans vote with the Democrats and a few Democrats vote with the Republicans, but this time it was a solid Republican vote. You know that was an unusual, an amazing thing in view of the fact that the power of suggestion was never used at all.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MARTIN of Massachusetts. Did the committee never vote solidly before?

Mr. PATMAN. Yes; it has voted solidly, but not on controversial questions. I do not believe Republicans have voted solidly, totally 100 percent on controversial questions.

Mr. MARTIN of Massachusetts. How many Democrats voted for this bill?

Mr. PATMAN. I think 4 did out of the 14.

Mr. MARTIN of Massachusetts. How many votes did they cast against the bill when it was brought out?

Mr. PATMAN. The issue was not on bringing the bill out, I may say to the gentleman, because the Commodity Credit Corporation extension is something that practically everyone favors and they are not going to vote against the continuation of the Commodity Credit Corporation because something happens to be in the bill that they do not like.

Mr. MARTIN of Massachusetts. When the roll is called on this bill next Monday or Tuesday, how many Democrats does the gentleman believe will be for the legislation?

Mr. PATMAN. I do not know, and I doubt if the gentleman knows that. Much as he knows about the Membership on his side of the aisle, I doubt if he is prepared to say exactly how many will vote for this bill.

Mr. MARTIN of Massachusetts. I should like to ask one more question of the gentleman. Do I understand that this measure has been made a party vote by the Democrats?

Mr. PATMAN. By the Democrats?

Mr. MARTIN of Massachusetts. Yes.

Mr. PATMAN. No; the Republicans made it a party vote by all voting together; not only on this but on other issues involving price control and inflation; they all voted together.

Mr. MARTIN of Massachusetts. I deny that. I think I know the Republican attitude fully as much as does the gentleman from Texas.

Mr. PATMAN. The record speaks for itself.

Mr. MARTIN of Massachusetts. I asked the gentleman about the Democrats.

Mr. PATMAN. I have no right to speak for the Democrats; I do not know how they will all vote.

Mr. MARTIN of Massachusetts. But the gentleman attempted to do it the other night.

Mr. PATMAN. No; I was speaking for myself.

Mr. MARTIN of Massachusetts. Then the gentleman has no right—

Mr. PATMAN. And the gentleman did not want time to reply to me; and I do not blame him at all, because he has got a good man to reply, and that is Mr. Fulton Lewis, Jr., who is the gentleman's spokesman. He did not need to ask to reply.

Mr. MARTIN of Massachusetts. The gentleman admits he did not have any right to speak for the Democratic Party and I say he has no right to speak for the Republicans. He speaks, then, only for himself.

Mr. PATMAN. I am not speaking for the Republicans, but I want to say in commendation of the gentleman that in speaking for the Republicans he does a mighty fine job of it and he holds them together mighty well. He is to be commended for it. He held them together in this case whether it was by power of

suggestion or otherwise. They stayed with him and did exactly what he wanted done.

I know there is a lot wrong with our country. There are lots of things wrong with it, but there are more things right about it. If Hitler and Tojo were sitting in these galleries day after day and they would hear our Commander in Chief abused, everything on earth said about him, everything said about the different agencies that were set up to regulate price control, keep down inflation, and everything else, and nothing ever said in commendation, just abuse, accused of everything, and they accuse our Commander in Chief of everything, although you never hear of Tojo and Hitler being abused very much, they probably would be very much pleased with what is going on. I do not say everyone is unpatriotic because he does not agree with me on political matters.

Mr. HOFFMAN. Will the gentleman yield?

Mr. PATMAN. I cannot yield. I have yielded to the minority leader. I have been generous in the granting of time to the minority leader, and I would like to go ahead with my own speech.

Mr. Speaker, we should have more unity in this country, we should have more cooperation, and that radio speech Monday night was made deliberately based upon what I believed the facts to be to justify it. Many of you are lawyers. You know what it takes to prove conspiracy. It is one of the easiest known crimes in the statute books to prove. You can prove it by circumstantial evidence and evidence of acts that are committed can be used as evidence in the proof of the conspiracy.

Let me see what the evidence is in this case. Let us go back to the original O. P. A. Act. Then the Republicans were not so strong for the original act. Many of them voted against it. That was to fix the price line. The standard, the guide, was the average of prices as between October 1 and October 15, 1941. That did not work. We made an awful mistake by not going the whole way then, but we made a worse mistake by not doing it when we declared war on December 8, 1941. If we are going to talk about mistakes, we made a worse mistake when we failed to help China 5 or 6 years ago and when we failed to deny Japan the munitions of war that were sent to her; so we have made lots of mistakes. There is no use of talking about mistakes. Let us see where we are going from here.

After we made that mistake, then we came back and said, "We have got to have a different line to fix prices and wages on." The Congress passed the law, and I believe the distinguished minority leader voted for it, the act of October 2, 1942, which not only authorized but directed the President of the United States to stabilize prices, wages, and salaries and things that go into the cost of living as of September 15, 1942. This Congress, with the votes of the Members of the minority side, directed the President of the United States to

hold that line. That is one time that the Congress issued a directive to the executive branch of our Government.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. The gentleman stated I voted for this original legislation and I admit that is the official record. The other day in a public meeting someone asked me a question from the audience if I was not ashamed of that vote. I replied, "No, I still think the vote was a good one, but I am ashamed of the administration of the law."

CHALLENGE

Mr. PATMAN. All right. The gentleman admits he voted for it. What part of the administration is the gentleman ashamed of? The President is trying to do what you told him to do. You said in that law that you authorized the President, not only that, but you directed him, to hold the line. The President has been trying to do it. It has been broken some, I admit. But by your vote you directed him to hold that line, and I challenge any Member of this House right now to get up and offer any plan or any suggestion or any proposal that will permit the President of the United States to hold that line as we directed him to do and not increase the cost of living and encourage production, without the use of subsidies. I yield to the gentleman for that purpose.

Mr. MARTIN of Massachusetts. The gentleman knows—

Mr. PATMAN. Answer the question. Does the gentleman have a plan?

Mr. MARTIN of Massachusetts. I am going to ask the gentleman a question.

Mr. PATMAN. Oh, no; the gentleman is not interrogating me.

Mr. MARTIN of Massachusetts. Has it held down the cost of living this last year?

Mr. PATMAN. There have been breaks in the line.

Mr. MARTIN of Massachusetts. Of how much?

Mr. PATMAN. There was the case of the coal miners the other day, the coal miners, 500,000, representing 1 percent of the working population of America. Are you going to let the country go to the dogs because you are mad about that?

Mr. HOFFMAN. Will the gentleman yield? The gentleman challenged anyone here.

Mr. PATMAN. Yes, I challenge anyone to give us a plan.

Mr. HOFFMAN. Then let me do it.

Mr. PATMAN. Any plan that will hold the line like we directed the President of the United States to do and encourage production without increasing the cost of living, and do that except through the use of subsidies. Name your plan.

Mr. HOFFMAN. Go back to November 1940 and dig out of the pigeonhole where your New Dealers shoved it the bill I offered to stabilize prices and wages.

Mr. PATMAN. Oh, no.

Mr. HOFFMAN. To stabilize the price of wages as well as the price of merchandise. Your party would not do it because

you had a bargain with the labor unions to get their votes.

Mr. PATMAN. Your answer is "I told you so."

Mr. HOFFMAN. That is right, but you do not know enough to recognize it.

Mr. PATMAN. Yes; but I am telling you that nearly all of the Republicans voted for that directive that directed the President of the United States to hold the line as of September 15, 1942. Now, you are condemning him because he has held the line.

Again I challenge any Member of this body to get up—and I will yield to him—who will offer any plan that will keep down the cost of living, encourage production, and not increase prices, without the use of subsidies. Can you name it? Of course you cannot.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman. Does he have a plan?

Mr. WOLCOTT. I would not want the gentleman to yield sufficient time for me to answer on that particular question, but if the gentleman and the rest of the House will listen attentively during the debates on this bill—

Mr. PATMAN. I am not yielding for a speech, much as I like the gentleman. I do not want to take the time.

Mr. WOLCOTT. The gentleman does not want the question answered; all right, but we will answer it in spite of him.

REPUBLICANS FOR INFLATION

Mr. PATMAN. The President has said to the Congress, "If I am not doing the right thing, if subsidies should not be used, give me a plan." We have offered no plan. All we have offered is blowing the lid off of prices, wages, and salaries, and having runaway inflation. I say to you and to the distinguished minority leader, with all due respect, his votes, and almost solid votes, are convincing that they are in favor of inflation, that they want inflation. The votes indicate that. So after telling the President to hold the line, they give him no cooperation. Not only that, the O. P. A., the only agency that could hold the line, they want to cut down the appropriations for them to where they could not possibly do the job. They would not give them the money to do the job.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Just a moment.

Then the O. W. I., that is another vote. They were doing an excellent job teaching the people the evils of ruinous inflation and how to avoid it. This House with the solid vote of the Republicans—it could not have been put over otherwise—voted to cut out that part of O. W. I. That was an inflationary vote, that was a vote to promote inflation in this country.

I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. When I first came to Congress or, at least, some years afterward, I recall that the gentleman was quite an advocate of paying the bonus with inflationary money.

Mr. PATMAN. Is the gentleman asking a question? I am not yielding except for a question.

Mr. MARTIN of Massachusetts. What I should like to ask is, When did the gentleman join the anti-inflationary forces?

Mr. PATMAN. I am glad the gentleman mentioned that. You were opposed to putting out \$2,000,000,000.

Mr. MARTIN of Massachusetts. Of paying it in inflationary money.

Mr. PATMAN. No; not printing press money, but now you are putting out printing press money by the billions of dollars a month, and the gentleman says not a word; he is not alarmed now. When it was desired to pay a just and honest debt to 3,500,000 men who bared their breasts to the enemy's bullets, and many of them shed their blood upon foreign soil; when it was desired to pay an honest and just and true debt to them with honest money, the gentleman said "No", that would ruin the country, \$2,000,000,000. But now you put out billions of dollars a month, and there is no fear of inflation whatsoever. I can not understand the gentleman's attitude.

Mr. MARTIN of Massachusetts. Will the gentleman yield so I may answer him?

Mr. PATMAN. Certainly; I will be glad to.

Mr. MARTIN of Massachusetts. I want to congratulate the gentleman on his transposition; his change of views.

Mr. PATMAN. Transformation? I have always been against inflation. I have always fought inflation.

Mr. MARTIN of Massachusetts. But the gentleman made a statement that is incorrect. I was not against the soldier bonus bill. I voted for the Vinson bill, the bill of your great friend, Judge Vinson, who wanted to pay the bonus with honest money. The gentleman wanted to pay with inflationary money.

I should like to ask one more question.

Mr. PATMAN. With all due respect to the gentleman, he would like to divert my attention from what I wanted to say.

Mr. MARTIN of Massachusetts. Is the gentleman in favor of an increase in the price of oil?

Mr. PATMAN. I know the gentleman would like to divert my attention. Yes, I would like to see the price of oil increased.

Mr. MARTIN of Massachusetts. Would that be inflationary?

Mr. PATMAN. Not by itself; no. But I am not willing to break up price control to do it. I am not willing to do it by law, neither am I willing to fix the price of any other commodity by law.

Mr. MARTIN of Massachusetts. How are your oil producers going to get it, then?

TO RAISE PRICES BY LAW INFLATIONARY

Mr. PATMAN. The gentleman is trying to get me off on an argument about oil. Let me take my own time and use it in my own way. If the gentleman wants to ask me a question pertaining to what I am talking about, it will be all right.

The oil producers in this country will be better off and the country will be bet-

ter off with that increase, but I am not willing to break up price control by passing a law to raise the wages of railroad workers, to raise the price of oil, to raise the price of milk, to make every price a political issue. It will result in a ruinous type of runaway inflation, and you all know it. That corroborates any statement that is made that the Republican Party has become an inflationary party, and we have the proof to back it up. Nothing is being done by them to stop the runaway inflation.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield right there?

Mr. PATMAN. On that point, yes.

Mr. MARTIN of Massachusetts. The gentleman said the Republican Party has become the inflationary party.

Mr. PATMAN. That is right.

Mr. MARTIN of Massachusetts. I admit that since last November 2 it has been the inflationary party. It is growing.

Mr. PATMAN. The gentleman wants to be facetious, but I think when the people find out the value of subsidies in holding down the cost of living and when they find out that the gentleman's party is trying to increase the cost of living on them to the point that it will practically crush out the middle class in our country, I think the people might have a different view. I believe they will. I do not believe the people of this country want to force an increase in the cost of living, and I have challenged the Members of this House to give me any other plan. They will not do it, they cannot do it. There is no alternative except subsidies, if you are going to keep down the cost of living, if you are going to increase production.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I cannot yield right now, if the gentleman will pardon me. I want to get just a little bit onto what the gentleman said. I have not got to it yet.

Mr. KEEFE. I was in hopes the gentleman would.

REPUBLICAN CROP OF MILLIONAIRES IN WORLD WAR NO. 2

Mr. PATMAN. So the question of conspiracy is proven by the votes, voting together. Yes; a few Democrats voted with you, but it could not be put over unless you gentlemen voted solidly, and by voting solidly you can carry most any issue you want, and I again invite attention to the Ruml plan. For some reason, members of the Republican Party wanted to give the millionaires who made millions of dollars of profit out of the cost of this war, wanted to give back to them some of their tax money. I cannot understand why, but you voted almost solidly to do it, with the Ruml plan, so as to make a new crop of war millionaires, although we have always said, and said in the last war, that if we ever had another war, we would not have any more war millionaires made out of it. You did vote that way.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

VOTE TO GIVE TAX MONEY BACK BUT REFUSE TO VOTE MORE TAXES

Mr. PATMAN. Not now. You did vote to make more millionaires by the Ruml plan. That is inflationary, and now you come along and you are against raising more taxes. The Treasury is trying to put over some taxes that will pay the war debt, as we go along, and we should do it, but you gentlemen in a bloc are opposing it, so when you are trying to give money back and you are refusing to pay taxes to pay the cost of the war, what other conclusion can you come to except that you are an inflationary party in favor of runaway inflation?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. McCORMACK. It might be pertinent to call attention of the gentleman from Texas to the fact that the day after the spokesman of the National Manufacturers' Association appeared before the Ways and Means Committee, 10 Republican members made a statement identically along the lines that he urged.

Mr. PATMAN. I thank the gentleman. Now, about taxes. This is a serious matter; it is not a facetious matter. Taxes must be raised. Talk about inflation. We are right on the edge of runaway inflation. If we do not do something to siphon off the excess purchasing of this money, we will have runaway inflation. We are not doing a thing about it. In the first place, if you pay a dollar now, that is equivalent to saving two or three dollars in the future, because if you have to borrow that dollar, and you pay interest on the dollar, the interest on a long-time bond, the history is that by the time you pay back the dollar on that bond, you will have to pay two or three times the amount of it in interest, in addition to the \$1 that was borrowed. So that for every dollar we pay now, we save these returning soldier boys, if you please, the obligation of not only paying the \$1, but of paying two or three times the amount of it in interest. Furthermore, whenever you siphon off this excess purchasing power, you are making inflation less likely. That is the reason that England and Canada do not have such difficult price-control problems. We are trying to eat our cake and keep it, too. We are letting our people keep their money, and going into the market in competition with one another, and bidding up the scarce and limited supply of goods and services. At the same time we want price control. They are almost inconsistent. England and Canada are paying more than half the cost of this war as they go. We are paying barely one-third, and since the Republicans voted together and forced that 75-percent Ruml plan, if you will take the 2 years, 1942 and 1943, and determine the taxes paid by the American people and compare them with the taxes paid by Canada and England, you will discover that the taxpayers in Canada and in England are paying 300 percent more for the 2 years combined. So how can you keep from calling your party an inflation party, if you are giving millions of dollars

back to war contractors and making millionaires and forcing and compelling a group of millionaires in World War No. 2 and then refusing to levy taxes and siphon off this purchasing power, so as to pay a part of this war debt.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. GAVIN. You are talking about millionaires, and talking about subsidies. I can recall when we had planned scarcities.

Mr. PATMAN. I yield for a question. I am not yielding for a speech.

Mr. GAVIN. I am not trying to make a speech, but merely to ask a question.

Mr. PATMAN. You are; I beg your pardon.

Mr. GAVIN. I am asking you, can you reconcile yourself to your planned security program when we were paying subsidies to the Nation's farmers for plowing under cotton or for not planting it? Do you want that kind of subsidy? We are paying taxes for that today.

Mr. PATMAN. I can answer that if you will give me time. I have a good answer for that.

Mr. GAVIN. You always have. You know all the questions and all the answers.

Mr. PATMAN. I do not know all the questions and all the answers, but that is perfectly all right.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Texas may be extended 10 additional minutes.

The SPEAKER. The time of the gentleman has not expired. He had ceased to yield to the gentleman from Pennsylvania.

WHY SUBSIDIES PAID TO FARMERS

Mr. PATMAN. I will try to answer the gentlemen one at a time. I want to answer them all. I will do my best to do it. I am not sure that I can, but I will do my best. I think I have a good answer to his question. He is talking about subsidies to farmers. Do you know why a subsidy is paid to farmers? I will tell you.

Mr. GAVIN. Not to the farmers, but on cotton.

Mr. PATMAN. Cotton? He is a farmer, too. All right. The first general law that was passed by the American Congress in 1789—remember this, it is a part of history—was a tariff law, a subsidy law. Law No. 2 was to give owners of vessels an extra amount in cases where people in America used those vessels, subsidizing the merchant marine. The tariff is as old as the Government itself and is a subsidy that has cost the American consumers up to \$4,000,000,000 a year. The farmer was at a great disadvantage. The farmer had to buy in a protected market and had to sell in the open markets of the entire world. The American Congress, 10 years ago, 144 years after the founding of this Republic, decided the farmers had been discriminated against. They decided they were discriminated against and they set aside money to remove part of that discrimination. In other words, a compensating offset for

disadvantages forced upon them by laws of the American Congress. And Congress itself ever sets aside a part of the tariff duties that are collected every year in order to pay it to the farmers in the form of a subsidy.

Mr. GAVIN. That was a Democratic Congress, but you have a Republican Congress now.

Mr. PATMAN. Certainly, Republican Congresses have for over 100 years enforced a tariff, and, of course, they never refused to take it.

Mr. GAVIN. We did quite well by ourselves, too.

Mr. PATMAN. If the farmers get the benefit of it, or the poor, low-income consumers get the benefit of it, that is the only time that a subsidy becomes obnoxious.

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. I would like to say to the gentleman that I am not certain how I am going to vote on the subsidy. I would like to call attention to this one thing. At the time when we passed the law which authorized subsidies, if you want to call them that, to cotton growers, cotton was selling at 4½ cents and 5 cents a pound, and the processors' tax we passed, which was declared unconstitutional afterward, took the place of a domestic tariff for the benefit of producer and consumer alike. And it was knocked out.

IS A SUBSIDY A BRIBE?

Mr. PATMAN. Yes, I think that is a fair statement of the situation. Anyway, the point was to give farmers a compensating offset for disadvantages forced upon them by a law passed by the American Congress. It was a good law, and no one should oppose it. Of course, now some of the farmers are being misled; I mean some of the farm leaders are trying to mislead the farmers into believing they should not take a subsidy, it is a form of bribery. That is so ridiculous; whoever heard of that? I have never heard of anyone receiving a tariff benefit say it was a bribe. When we overrode the President's veto and forced low interest rates to the farmers, that was a direct subsidy. Nobody said that was bribery. When we gave the merchant marine and the inland waterways and the railroads all these huge, enormous subsidies, that was not bribery.

When we allow newspapers and magazines of this country benefits to the amount of \$100,000,000 a year in low postage rates, that is not a subsidy. It is only if you are going to help the farmers and the low-income people who would be squeezed out by the high cost of living that the word "subsidy" becomes obnoxious.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes. I want to ask him a couple of questions.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEEFE. Will the gentleman yield to me now?

Mr. PATMAN. I want to answer the gentleman right now and then I will

yield to him. He said I made a political speech.

Mr. KEEFE. Will the gentleman yield just before he goes into that?

Mr. PATMAN. Let me make one point before I yield, and then I will be glad to yield.

The gentleman says I made a political speech on the radio. Well, if it was a political speech, it was because the speeches before me were political, by Fulton Lewis, who has become the spokesman for the Republican Party. How could I answer him without making a political speech? I have no apologies to offer for attempting, in my humble, feeble way, to answer him the very best way I could.

Now I yield to the gentleman for a question.

Mr. KEEFE. Does the gentleman believe in a protective tariff?

Mr. PATMAN. Now, that is evidence of what you fellows want to do. I know that is your policy. You cannot face this subsidy issue on the facts.

Mr. KEEFE. And you will not answer a question, either.

UNLEARN BEFORE YOU CAN TEACH

Mr. PATMAN. You cannot face this subsidy issue on the facts. You just want to confuse the people and get them off on something else, by talking about a 60-cents-a-ton increase in the price of coal and about bureaucrats and protective tariff. I do not blame you for doing that, because you cannot face the issue. That is why. If those Members of Congress had not committed themselves against subsidies, we would not have any trouble, but they were led to believe that subsidies were bad and a lot of them committed themselves against subsidies, and whenever a fellow does that, you have got to unlearn him before you can teach him anything, and that is an awfully hard job to do.

Mr. KEEFE. Will the gentleman yield?

Mr. PATMAN. I am not going to discuss anything but subsidies, the O. P. A., and the administration. I do not care to take up the protective tariff, and I am not yielding for that purpose, I will state to the distinguished gentleman from Wisconsin.

Mr. KEEFE. Will the gentleman yield?

Mr. PATMAN. I will not yield on that question.

Mr. KEEFE. Will the gentleman yield?

Mr. PATMAN. Not on that question.

Mr. KEEFE. Will the gentleman yield on another question?

Mr. PATMAN. About what I am talking about; yes.

Mr. KEEFE. Does the gentleman consider that the importation of sugar from Cuba at a price based upon the low wages paid, as he said yesterday, in that area, which exceeds the payment of a subsidy to the farmers, who produce sugar beets—does the gentleman consider that to be any different than the imposition of a protective tariff?

Mr. PATMAN. I am glad the gentleman brought that up. That is the finest example that he cannot answer to save

his life. He is supporting a bill here that will force us to pay the same price for foreign sugar—

Mr. KEEFE. Oh, answer the question.

Mr. PATMAN. I am answering it.

Mr. KEEFE. You have not answered a question. Not one today.

Mr. PATMAN. I will answer it in my own way.

Mr. KEEFE. You just ramble on and ramble on.

Mr. PATMAN. That is the best example of a case that the gentleman cannot possibly answer to save his life. You see the Republicans had to get together and conspire to force up the high cost of living and are going to destroy the sugar subsidy.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Oh, I cannot yield in the middle of a statement. The gentleman cannot expect me to.

They are going to force up the price of sugar that is grown in foreign countries. In other words, our imports of sugar now are four-fifths of our consumption. This is a good example. Only one-fifth of the sugar we consume is produced here. Four-fifths of the sugar that is used in this country comes from those immense plantations which are owned mostly by New York banks, and they use the cheapest kind of peon labor in the production and marketing of their products. Here in America we do not have that situation and we have got to pay a little subsidy of a cent a pound.

Mr. KEEFE. That is the same as the protective tariff, is it not?

Mr. PATMAN. I am not yielding, Mr. Speaker. I hope the gentleman will respect the rules of the House.

Mr. KEEFE. My goodness!

Mr. PATMAN. Just a moment. Yet the gentleman and his party would force us not only to pay that 1 cent a pound on the one-fifth of the sugar that is produced here in America but he would force us to pay it on the four-fifths that is owned by the big banks in New York. That is what he and the other Republicans want to do; in other words he would force the cost of living on sugar up much more than it is today along with other items.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I shall be pleased to yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The gentleman from Texas is making a very fine statement on the condition of the Nation.

Mr. PATMAN. I yielded for a question; I did not yield for a speech.

Mr. MILLER of Nebraska. I take it from the gentleman's remarks that the Nation is not in very good condition. Will the gentleman tell us whose party has been in power for the last 10 years?

NO ONE ASKING FOR THE REPEAL OF THE
NEW DEAL LAWS

Mr. PATMAN. We have a good party in power; it has done some mighty constructive things. I have not heard the gentleman suggest the repeal of any law that has been passed. Some of the gen-

tlemen on that side of the aisle have been trying to block the enforcement of some of them but they have not introduced any bills asking for the repeal of any major laws that have been enacted in the last 10 years. If it were so bad it looks like you would be offering some bills to repeal those laws.

Mr. SCHWABE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield for a question.

Mr. SCHWABE. The gentleman was talking about a conspiracy of the Republican voters in this House; does he not include the Republican voters of New York, New Jersey, and Kentucky in the conspiracy?

Mr. PATMAN. I do not consider that much of a contribution to this particular argument.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman has always been against monopolies. Why does he think he has a monopoly on all knowledge?

Mr. PATMAN. I am against monopoly.

Mr. HOFFMAN. But the gentleman claims to know everything. Why does the gentleman say the gentleman from Missouri knows nothing?

Mr. PATMAN. The gentleman is helping the sugar monopoly that is the worst monopoly in the world. The gentleman wants to force us to take money out of the taxpayers' pockets and give it to the great sugar monopoly.

Mr. HOFFMAN. The boys on that side are doing that. Why does the gentleman claim to have a monopoly of all knowledge and object to a question asked by the gentleman from Missouri?

Mr. PATMAN. I do not; I do not claim a monopoly of knowledge on any subject. There are 8,000,000 articles and commodities on which prices are to be fixed, and I do not claim to know enough to fix the prices intelligently on a half dozen of them.

Mr. SCHWABE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I would not care to yield any more right now. So the point is that we have got to have price control whether we like it or not. We would have run-away inflation without it. None of you have the courage of your convictions to offer to repeal price control. I never heard of it. Why do you not try to repeal it? Why try to break up the enforcement of the law by refusing to give the administrators of the law the money they need to enforce it? We have got to have it and you know it. We directed the President of the United States to hold the line as of September 15, 1942, and you know it cannot possibly be done 100 percent; that is not possible. It is like relief; you cannot satisfactorily administer it. You know that.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I cannot yield.

Mr. BROWN of Ohio. I hope the gentleman will yield.

Mr. PATMAN. I just have not time, I may say to my friend from Ohio, to yield

right now, but since the gentleman insists so vigorously I will yield to him briefly.

Mr. BROWN of Ohio. If the President had held the line on prices would subsidies be necessary at this time?

Mr. PATMAN. Absolutely necessary; yes, sir. You cannot hold the line without them, I may say to the gentleman.

Mr. BROWN of Ohio. If he had held the line—

Mr. PATMAN. If the gentleman has any plan I will yield to him to tell what it is.

Mr. BROWN of Ohio. If he had held the line—

Mr. PATMAN. Oh, well, the gentleman has neither a plan nor a question.

The gentleman knows that the line cannot be held 100 percent; he knows that perfectly well, just as well as he knows that relief cannot be administered 100 percent. It is like justice. The inscription over the entrance to the Supreme Court does not read: "Exact justice under law," it reads "Equal justice under law." As long as you have equal justice under the law nobody can complain. Under any law there may be exceptional cases, but we should not try to condemn the Government because of that fact.

FAILING ON DOMESTIC FRONT

The general rule is all right. This war is going along all right. Where we are failing is on the domestic front by not properly dealing with and combating inflation. We can lose the war right here at home if we lose the war against inflation. Our sons can go to the 55 battle fronts of the world and spill their blood and save their country in time of war, yet right here in America in this Congress we can do as much to lose the war upon the battlefields by losing the war against inflation, and I want to appeal to you gentlemen to study this question and not work together just because you want to act as a party. Put your country first and let us save the country here on the home front as well as on the foreign front.

Mr. WOLCOTT. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I may say to the gentleman I am not going to make a statement, I am going to ask him a question.

Mr. PATMAN. That is fine.

Mr. WOLCOTT. The gentleman has indicated he is very much concerned about the disintegration of O. P. A. May I ask the gentleman if he ever offered any amendment to any of these bills to concentrate the control of prices and the production, processing, and distribution of food in the War Food Administration to the prejudice of the Price Control Administration?

Mr. PATMAN. I certainly did and at that time I thought it was the very thing to do, but if you will analyze it as I did you will find you cannot stop inflation unless you have one person to do it. If you leave it to the Transportation Division to fix prices on transportation, to the Rubber Director to fix it on rubber,

to Mr. Ickes to fix it on oil and to the Food Administrator to fix it on dairy production, you will not have any control.

The SPEAKER. The time of the gentleman has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object—

Mr. PATMAN. Mr. Speaker, I do not want to take up too much time. I just wanted a minute to finish a thought, but I will withdraw the request.

RESIGNATION AS A MEMBER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication which was read:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., November 17, 1943.
His Excellency, EDWARD MARTIN,
Governor of Pennsylvania,
Harrisburg, Pa.

SIR: I hereby tender to you my resignation as a Member of the House of Representatives in the Congress of the United States in the Second District of Pennsylvania, to become effective midnight, November 17, 1943.

Very truly yours,

JAMES P. McGRANERY.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SCANLON (at the request of Mr. WEISS), for an indefinite period, on account of injuries sustained in an automobile accident on November 15.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his own remarks in the Appendix of the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arizona [Mr. MURDOCK]?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I was called out of the Chamber this afternoon while the bill H. R. 3377 was before the House, and failed to record my vote in favor of this measure. I do favor this bill, H. R. 3377, as I indicated on yesterday in speaking of another bill, H. R. 3356, providing for increased payment to meet in part the rising cost of living for ex-service men. This increased cost cannot be denied and our obligation is positive. I am particularly favorable to the part of the bill considered today which rates total and permanent disability for those who have been rated as permanently disabled for a continuous period of 10 years or have reached age of 65, and raises their pay to \$60 per month. This step is a little late, but better late than not at all.

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PETERSON of Georgia. Mr. Speaker, although I was unable to be present to record my vote on the bill, H. R. 3377, which was passed unanimously by the House today, I wish it to be noted that I am in favor of it, and would have voted for it if I had been able to be present.

EXTENSION OF REMARKS

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. KING] be permitted to extend his own remarks in the RECORD and include therein an article and the report of a Senate committee.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with regard to the gentleman from Pennsylvania [Mr. McGRANERY] and his resignation as a Member of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution adopted by the National Grand Lodge of the Brotherhood of Railroad Shop Crafts of America.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Daily Calumet of Chicago.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. COCHRAN] be permitted to extend his own remarks in the RECORD and include therein a letter written to him by Brig. Gen. Frank T. Hines, Administrator of the Veterans' Administration, together with enclosures in the letter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article appearing in the Boston Post of last Sunday, written by Henry Gillen.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MURPHY. Mr. Speaker, I should like to have the RECORD show that I was at the doctor's at the time the bill H. R. 3377 was under consideration in the House today. Had I been present, I would have been pleased to vote affirmatively on the passage of the bill.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1457. An act to aid in the stabilization program and the war effort by paid newspaper advertising in connection with the sale of United States bonds, and for other purposes; to the Committee on Ways and Means.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 321. An act to facilitate and simplify collection procedure in the Department of the Interior;

S. 364. An act to authorize the Secretary of the Interior to settle certain claims;

S. 1336. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, and Coast Guard under certain conditions, and for other purposes;

S. 1354. An act to amend the act approved January 16, 1936, entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy"; and

S. J. Res. 59. A resolution authorizing the President of the United States of America to proclaim armed services honor day for the recognition and appreciation of the patriotic devotion to duty of all members of all branches of the armed military and naval forces of the United States of America.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.) the House adjourned until tomorrow, Thursday, November 18, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Thursday, November 18, 1943)

The Committee on the Merchant Marine and Fisheries will hold a public

hearing on Thursday, November 18, 1943, at 10 a. m., on House Joint Resolution 182, to create the War Shipping Field Service.

COMMITTEE ON FOREIGN AFFAIRS
(Friday, November 19, 1943)

The Committee on Foreign Affairs will begin public hearings on Friday, November 19, 1943, at 10:30 a. m., on House Resolutions 350 and 352, providing for the establishment by the Executive of a commission to effectuate the rescue of the Jewish people of Europe.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

916. A letter from the Chairman, Federal Power Commission, transmitting a copy of its sixth consecutive annual report entitled "Statistics of Electric Utilities in the United States"; to the Committee on Interstate and Foreign Commerce.

917. A letter from the Attorney General, transmitting a request for withdrawal of the case of Violet Lena Pruett from the group of 237 cases involving suspension of deportation; to the Committee on Immigration and Naturalization.

918. A letter from the Administrative Assistant to the Secretary, Department of Commerce, transmitting revision No. 1 of the estimate of personnel requirements for the quarter ending December 31, 1943, for the office of the Secretary, requesting an increase of \$1 per year employee; to the Committee on the Civil Service.

919. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 157 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

920. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated August 10, 1943, submitting a report, together with accompanying papers, on a review of reports on Bennetts Creek, Va., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 24, 1942; to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ENGLE of California:

H. R. 3682. A bill to rescind Limitation Order L-208 of the War Production Board, relating to the operation and maintenance of gold mines, and for other purposes; to the Committee on the Judiciary.

By Mr. SHERIDAN:

H. R. 3683. A bill to maintain on active duty, during the present war, officers of the Army of the United States who reach retirement age; to the Committee on Military Affairs.

By Mr. HARLESS of Arizona:

H. R. 3684. A bill providing for the issuance of appropriate insignia to rejected or deferred registrants for military service; to the Committee on Military Affairs.

By Mr. RANKIN:

H. J. Res. 196. Joint resolution to facilitate absentee voting by members of the armed

services of the United States in time of war; to the Committee on Election of President, Vice President, and Representatives in Congress.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York:

H. R. 3685. A bill for the relief of H. Ward Eaton; to the Committee on Claims.

By Mr. McMURRAY:

H. R. 3686. A bill to provide for the bestowal of the Silver Star decoration upon Carl W. Heiden; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3589. By Mr. JONKMAN: Petition of Peter Van Eyck, legislative committee, Ottawa County (Mich.) Farmers Union, Holland, Mich., opposing House bill 3477; to the Committee on Banking and Currency.

3590. By Mr. ANDERSON of California: Petition of Vera Corlew and others, with reference to House bill 2082; to the Committee on the Judiciary.

3591. Also, petition of Maude P. Boynton and others, with reference to House bill 2082; to the Committee on the Judiciary.

3592. By Mr. COCHRAN: Petition of Boyce Eastin and 20 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3593. Also, petition of Louis W. Fischer and 20 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3594. Also, petition of Ted Jones and 20 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3595. Also, petition of R. C. Beck and 17 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3596. Also, petition of the Painters' Local, No. 137, and signed by 20 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3597. By Mr. SCHIFFLER: Petition of James S. Bghanna and other citizens of Bethany, W. Va., opposing House bill 2082; to the Committee on the Judiciary.

3598. By Mr. PLOESER: Petition of Erwin Hilke and 38 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3599. Also, petition of Frank Badstebner and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3600. Also, petition of Charles O. Eck and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3601. Also, petition of Harold M. Becker and 40 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3602. Also, petition of Milton J. Klefer and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3603. Also, petition of August R. Effen and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3604. Also, petition of Henry W. Katz and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3605. Also, petition of Ralph Alsmeyer and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3606. Also, petition of James Cade and 39 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3607. Also, petition of Eugene H. Rush and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3608. Also, petition of N. W. Fitzgerald and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3609. Also, petition of Daniel J. Gleason and 39 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3610. By Mr. WARD JOHNSON: Petitions signed by 104 members of the First Christian Church of Long Beach, Calif., of which Dr. Homer A. Strong is the pastor, urging the passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3611. Also, petition signed by Rev. Charles E. Venable, pastor of the Christian Church of Compton, Calif., and 139 members of the congregation, urging the passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3612. Also, petition signed by 176 members of the Methodist Church of Compton, Calif., of which Reverend Hooper is the pastor, urging the passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3613. By Mr. HALLECK: Petition of sundry citizens of Milford, Ind., and vicinity, favoring the enactment of House bill 2082; to the Committee on the Judiciary.

3614. By Mr. LEONARD W. HALL: Petition of sundry citizens of Nassau and Suffolk Counties, Long Island, N. Y., urging Federal prohibition of vivisection practices; to the Committee on the District of Columbia.

3615. By the SPEAKER: Petition of the president of the Koolapoko Lions Club, Honolulu, T. H., petitioning consideration of their resolution with reference to amendment of the Nationality Act of 1940, by removal of limitation as to ancestry; to the Committee on Immigration and Naturalization.

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18.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued November 19, 1943, for actions of Thursday, November 18, 1943)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT; SUBSIDIES. Began general debate on H. R. 3477, the Commodity Credit bill (pp. 9793-97, 9798-9819). Rep. Steagall, Ala., discussed the provisions of the bill, stating that no additional funds were authorized for Commodity Credit as none were needed at this time, and inserted several tables on cost of living, earnings, subsidies, and the war program (pp. 9798-9803). Reps. Barry, N. Y., and Steagall, Ala., discussed parity prices for farmers (p. 9803). Rep. Wolcott, Mich., differentiated between food and consumer subsidies and stated that consumer subsidies cause inflation (pp. 9803-07). Rep. Rolph, Calif., spoke against "unlimited subsidies" and commended Commodity Credit (pp. 9810-12). Rep. Dilweg, Wis., criticized the "sweeping and all-inclusive language of the anti-subsidy provision" (pp. 9812-13). Reps. McCormack, Mass. (pp. 9793-94), Patman, Tex. (pp. 9796-97, 9808-10), Sullivan, Nev. (pp. 9813-15), Folger, N. C. (pp. 9816-17), and Lane, Mass. (pp. 9817-18), spoke favoring subsidies. Rep. Halleck, Ind. (pp. 9794-95) and Sumners, Tex. (pp. 9807-08) criticized consumer subsidies. Reps. Crawford, Mich (pp. 9795-96) and Gavin, Pa. (pp. 9818-19), spoke opposing subsidies.
2. SELECTIVE SERVICE. Agreed to the conference report on S. 763, the father-draft bill (pp. 9791-92). The Senate has not yet acted on the report. (For bill's provisions see Digest 177.)
3. FOREIGN POLICY. Both Houses heard Secretary Hull's speech on the Moscow conference (pp. 9789-91).
4. TAXATION. Ways and Means Committee reported, without amendment H. R. 3687, the tax bill (H. Rept. 871) (p. 9819).

SENATE

5. PRICE CONTROL; RATIONING. Received OPA's report for the period ended June 30, 1943. To Banking and Currency Committee. (p. 9766.)
6. PUBLIC LANDS. Received the Joint (Byrd) Committee on Reduction of Nonessential Federal Expenditures' report on Federal ownership of real estate, recommending liquidation of surplus real estate by Government agencies and consideration to the feasibility of assigning operational functions for acquiring and disposing of land to some existing central Government agency (S. Doc. 130) (pp. 9767-76).
7. SUBSIDIES; PRICE CONTROL; RATIONING. Sen Danaher, Conn., inserted a Bridgeport Central Labor Union letter and resolutions favoring local price and rationing administration, grade labeling, livestock ceiling prices, and food and milk subsidies (pp. 9776-77).
8. RURAL ELECTRIFICATION; APPROPRIATION. Sen. Langer, N. Dak., inserted a Minn. Electric Cooperative letter favoring a \$750,000 appropriation to REA for assisting Rural Electric Cooperatives of America (p. 9778).
9. RESEARCH. Sen. Langer, N. Dak., inserted an American Institute of Consulting Engineers' resolution opposing S. 702, to establish an office of scientific and technical mobilization (p. 9778).
Agreed to House amendment to S. J. Res 47, providing for the appointment of a National Agricultural Jefferson Bicentenary Committee (p. 9781). This measure will now be sent to the President.
10. FARM LABOR. Sen. Langer, N. Dak., inserted Southern Tenant Farmers Union resolutions favoring an appropriation to provide for recruiting and transporting farm workers during 1944 and a plan for using idle farm workers during the winter months (pp. 9778-79).
11. PHILIPPINES. Territories and Insular Affairs Committee reported without amendment S. J. Res. 93, declaring the policy of the Congress with respect to the independence of the Philippine Islands (S. Rept. 537) (p. 9779).
Territories and Insular Affairs Committee reported with amendment S. J. Res. 94, establishing the Filipino Rehabilitation Commission (S. Rept. 538) (p. 9779).
12. SURPLUS PROPERTY; PURCHASING; POST-WAR PLANNING. Sen. George, Ga., submitted a preliminary report of the Special Committee on Post-War Economic Policy and Planning Committee on the disposal of surplus war property, the termination of war contracts, and industrial demobilization (S. Rept. 539) (p. 9779).
13. RECLAMATION; POST-WAR PLANNING. Agreed, without amendment, to S. Res. 205, authorizing an investigation of undeveloped resources in Calif. with a view to aiding post-war problems (p. 9787).
14. NOMINATION. Confirmed without objection the nomination of R. K. McConnaughey a member of the Securities and Exchange Commission (p. 9788).
15. ADJOURNED until Mon., Nov. 22 (p. 9788).

House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT FROM FRIDAY TO MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMODITY CREDIT CORPORATION

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 356, and ask for its present consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 days, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 15 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the Congress has passed legislation—in operation now—recognizing the danger of inflation to ourselves and the war effort, and in that act known as the Price Control Act has directed the President to keep prices at the September 15, 1942, level.

The President has courageously done his duty. He has held the line better than most persons thought he could do. Mistakes have been made, yes, but decent-thinking persons expect that. As we look over the whole picture, he has done a remarkable job in holding the line against the break-through of inflation.

One thing is certain, when inflation comes, as it is bound to if this bill becomes law, the fault will rest with those Members of Congress who voted for this bill and not with the President. We might just as well be willing to accept our responsibility. If this bill passes, the responsibility for inflation, if it comes, as it will, in my opinion, will rest with Congress. We should be game enough to take our responsibility for our own acts.

If this bill passes, our people might just as well know now as later that inflation is here. The passage of this bill

means wide-open competition among the purchasing public for available food and goods. With existing purchasing power, with the demand far greater than the supply, the result is inevitable.

Mr. Bowles, the O. P. A. Administrator, has stated that the increase in the cost of living by next January will be 4 percent if the bill passes. I consider that a conservative estimate. In any event, even if confined to an over-all 4-percent increase in the cost of living, that will be only the starting point. It will be then that the general public, sleeping or slumbering now, reading of impending inflation, but failing to recognize its significance, will wake up, and then their voices of resentment will be heard and felt.

The amazing and disappointing thing to me is the lack of interest taken by the consumer public in the meaning of price control in wartime, in failing to let their feelings and voices be heard before it is too late, before the damage is done to them.

It seems as though most of us wait until we are sick and in pain before we pause in our everyday life to give thought to the cause or causes that bring sickness and pain to us. It seems to be the same with the general public.

We have the spectacle in this fight of Congress saying to the President, "Hold the price level as of September 15, 1942; we direct you to do so, but we are going to take away from you the power to do it." We might just as well say to any one of our generals in command of a battle area that the enemy is attacking, "We direct you to hold the line," and then in the next breath say that we order all of his troops to retire.

If we expect effective price control during this war, we must give the President the means to accomplish it. If the combination of political and pressure groups is strong enough to bring about inflation, why do they not do the honorable thing and repeal the Price Control Act? Why adopt the inconsistent and insincere position that we are in today, of directing the President to hold the line as of September 15, 1942, and at the same time take away all means by which it can be done? I am practical enough, having been subjected to it myself on many occasions, to appreciate the significance of a strong pressure interest from a district. On most of the legislation before Pearl Harbor I voted contrary to the views of well organized groups in my district. On the question of pressure, one thing is certain, that anyone representing mainly or on the whole a consumers' district, that Member, whether Republican or Democrat, is not subjected to that situation, to that pressure. That being so, another thing is certain, that any such Member voting for inflation will be voting against the direct best interests of the people of his district. In this connection it will be interesting to note how my Republican colleagues who represent consumers' districts, will vote on the question of inflation—how many will vote for it and how few against it.

The American public may not fully appreciate the meaning of what is at-

tempted by this bill, but if inflation comes, they will. One thing is certain. When public opinion is aroused, it is a voice and a power that will tolerate no subtle excuses.

I suggest to my colleagues that they go back to the last World War when there was uncontrolled and unrestricted inflation. Consider the conditions which existed at that time and the properly aroused clamor and demand emanating from the housewives of America who protested vigorously against the intolerable price conditions. We do not have that spectacle today.

By the Price Control Act we declared war against inflation, instructing the President to hold the line as of September 15, 1942. By this bill we still direct the President to wage the war against inflation, but we take away from him the ways and the means to do so. The issue today is not one of partial administration subject to criticism or of unsound judgment. Those matters are subject to constructive criticism, and later correction. The basic issue raised by this bill is price control versus inflation. We have heard all kinds of fanciful arguments made on this question of subsidies in recent weeks. Some Republican Members have even condemned the payment of subsidies to the farmers in the dark years of the Hoover depression, when the supply of farm products was much greater than the demand, and when the cost of transportation to the market was more than the farmer could get for his product.

Time passes quickly, and when conditions improve, it seems to be a human trait for people to forget past pains and sufferings. But the people generally are not ungrateful, certainly not intentionally so.

Even while time passes quickly and with better conditions, the pains of the past become dim. I doubt if all of our people and if all of our farmers have forgotten the pain and the suffering of the unpleasant and dark era known as the Hoover depression. When these Members talk about the conservation program of President Roosevelt, and this Democratic administration, with the payment of subsidies, with the problem of a glutted market, with corn, wheat, cotton, and other farm products selling at the lowest price in history, with a necessity for governmental action that would bring about a more equal operation of the law of supply and demand, such an argument is an insult to the intelligence and the gratitude of the farming population of our country. Yes, I can remember, during the dark era known as the Hoover depression, of foreclosures of farms by the tens of thousands, and in some cases fine men in their desperation resisting such foreclosures. I sat here during that period, and I witnessed the do-nothing policy, and I saw the results—economic distress everywhere—inaction, letting nature take its course, which meant the complete destruction of agriculture. And it was very close to that when President Roosevelt took office in 1933. Under the leadership of President Roosevelt the whole country came out of its economic nose dive. Yes, subsidies were

paid to the farmers, and what would have happened if they had not been paid? Subsidies were paid as a part of a broader problem of bringing about a normal operation of the law of supply and demand, thereby bringing to the farmer conditions under which he could get a fair price for his product. One thing is certain. He did not continue to get the destructively low prices of the Hoover depression.

When any Member, upon the premise that the farmer has forgotten those days, attacks what was done to help the farmer then, he proceeds upon one of two theories, that the farmer cannot remember back 10 years or that, remembering, he forgets the leadership of the man who employed all of the powers of Government to constructively assist him in his extreme distress. I brand as intellectually dishonest, as a partisan political appeal, for any Member to compare the conditions of 1933 with the conditions of today. Then the supply was greater than the demand. The result was lower and lower prices until general bankruptcy-faced agriculture and industry. The conflict that President Roosevelt waged after his inauguration in 1933 was the war against deflation. Today, due to the demands of war, the picture is the opposite. The demand is far greater than the supply. Unless controlled in some way, prices will spiral upward and uncontrolled inflation will result. Distress will exist, and prices will become so prohibitive that the poor will suffer keenly. Economic group feelings will develop, and everyone will ultimately suffer, as we are all in some way consumers. The cost of conducting the war will be sharply increased. The purchasing value of the dollar for all will rapidly be decreased. Internal division will increase and the morale of our people will be affected with a harmful result upon our whole war effort. In 1933 we were fighting a war against deflation. In 1943 we are fighting the war against inflation.

While I have no doubt as to the outcome of this global war and our ultimate success, it is my strong opinion that if inflation comes it will tend to prolong rather than shorten the war. To any Member who in his conscience stands for inflation and honestly feels inflation would be for our best interests, in sharp disagreement with him, I respect his right to entertain his views, although I do not agree with his opinion.

However, to any Members who are opposed to inflation and who recognize that some kind of price control is necessary to prevent inflation, I say that in barring the use of subsidies to control prices you have a duty and obligation to offer a substitute to the existing law, a substitute that either by congressional act will prevent inflation or by congressional direction to the President will enable him to establish some effective machinery other than the use of subsidies.

In conclusion, expressing my views on the basic question of control of prices, I cannot see how we can control prices with the tremendous purchasing power, the tremendous demand that exists, far greater, and in some cases many times

greater than the supply, and this artificial situation which exists under war conditions which we must meet, how we can control prices unless something of a practical nature is done. I am not approving of all of the things that are done. But those are the things subject to constructive criticism and correction. I have heard many speeches; I have agreed with Members on both sides making constructive criticism that should be welcomed and that under no condition or by remote inference, do I criticize, and it is not subject to criticism. I have acted upon suggestions made by Members here. I think it is healthy to seek constructive criticism. It produces corrections and better results. But today we are faced with a basic question whether or not we are going to have inflation and in order to prevent inflation we have got to have price control and you cannot have it by congressional fiat. We can prescribe it, as we have, by the words we have used in existing law, but we cannot accomplish it nor can anyone else unless machinery is provided some place, either established by Congress or given to the President to control the prices and thereby prevent inflation.

To those who feel such conditions are not satisfactory so far as the operation of law is concerned, for example, the O. P. A., criticize constructively those things you think are subject to criticism, but I ask you, by all means, do not let your feelings or criticism of those actions operate by reaction in a manner that you will vote for a bill that will prevent the control of prices and bring about inflation. Personally, I have no doubts as to the outcome. I had hoped that some kind of compromise would be brought about. Personally I do not think the line can be held hard and fast. There must be a little flexibility. I made that statement when the original O. P. A. act was up. All we can do is hold the line as much as we can. When the pressure is great we must give a little just like armies attacked and then when they must retreat they do not wait until they are destroyed, but they retreat and form a new line to hold the enemy back. Frankly that has always been my opinion. The best way to administer it would be with a little flexibility where the feeling of arbitrary action would be eliminated or reduced to a minimum. Those have been my personal feelings. But on the basic question involved in this bill today, the question of inflation or no inflation, I have no hesitancy in taking my position in support of the President. And I will support any substitute that will bring about price control and prevent inflation during this war period.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I am not going to enter upon a discussion of this controversial and technical bill. Suffice it to say that the distinguished majority leader has taken the floor and has presented from a manuscript a very comprehensive discussion of the matter from the viewpoint of those who favor consumer subsidies. I dare say that when the debate shall have finished there

will be no point raised in favor of subsidies that has not been covered by the distinguished majority leader. We are not debating the merits of the bill now but the provisions of the rule. I have just a word about the rule. I have been asked a number of times whether the commentator over the radio was correct when he said that this bill would be considered under a gag or a closed rule. That statement was incorrect. All this rule does is to bring this bill before the House for consideration by the House under the general rules of the House. The bill will be open to all germane amendments offered by any Member during the reading of the bill under the 5-minute rule. Now, Mr. Speaker, let us all enter upon the discussion of this important matter, not in a partisan, not in a selfish manner, not because one is majority leader, or because one is minority leader. There should be no political whiplashing upon the backs or the consciences of the Members when they are conscientiously considering a matter which is and should be entirely nonpartisan. I hope that we will approach this vital measure in that attitude and in that frame of mind. I hope to discuss the merits of the bill later in the debate.

Mr. Speaker, I now yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I supported and voted for this rule when it was before the Rules Committee. I expect to vote for the rule here today and also to vote for the bill, including section 3 thereof, which undertakes to prohibit the payment of general consumer subsidies.

Certain Members appeared before the Rules Committee to urge the adoption of a special rule which would provide for a separate vote on section 3. That suggestion was not followed by the Rules Committee. Of course, an amendment to strike section 3 from the bill can be made during the consideration of the bill. If a majority favors such action, the amendment will prevail. If the amendment does not prevail, then those favoring the payment of consumer subsidies will have to choose between voting for the prohibition or against the extension of commodity credit. But that is a situation, which very frequently confronts us in passing finally on legislation. To attempt in each case to suit certain individual desires would involve us in endless difficulties. After all, under the general rules of the House, the majority can work its will.

It was also suggested that we make in order by special rule a substitute proposal which is embodied in a bill introduced by the gentleman from Massachusetts [Mr. HERTER]. While there is undoubtedly much to recommend something along the line of his suggestion, his bill has not had committee consideration nor that detailed study which generally precedes floor consideration of such a far-reaching proposal. Therefore, it seemed to the majority of the Rules Committee that such a special rule should not be granted.

The only and real issue involved in this legislation is whether the Congress shall

prohibit the payment out of Federal funds of general consumer subsidies.

It is my considered judgment that this matter of subsidies would not now be before us if the administration had grappled courageously, honestly, and realistically with the problems of price control. And further, even today, there is no need to resort to such subsidies in our efforts for price control and to prevent runaway inflation.

Let no one tell you that those of us who oppose these subsidies are in favor of inflation. For myself, I voted for the various price-control laws. I do not stand for their repeal today. My only regret is that the demands of some of us for an over-all, effective and complete price control from the very beginning were not heeded by the administration. It is the failure to adopt such a plan and the further failure to properly administer the various statutes which have been enacted that has resulted in the price squeezes and the increases in the cost of living which are now sought to be alleviated by the payment of consumer subsidies.

Mr. Speaker, you will notice that I refer to consumer subsidies. In considering this question, we must remember that the prohibition contained in section 3 does not go to production subsidies to be paid to submarginal or high-cost producers in order to keep up production. The prohibition goes only to consumer subsidies which apply to rich and poor alike by relieving them of a part of the cost of certain commodities which they buy at the expense of the Federal Treasury. Consumer subsidies are taxation in reverse. We take out of the Federal Treasury the money to pay part of the living cost of all people who buy certain commodities. The war profiteer, big or small, is thus permitted to keep more of his profits.

Subsidies must be paid out of borrowed money. They increase the Federal debt, a debt which is now growing to such proportions as to be almost terrifying. Untold generations to come will be struggling to pay the debt now being created. We certainly should not expect them to pay for the bills which we ourselves should now be paying.

Consumer subsidies are now being sought as a matter of political expediency. They are more of appeasement than good, common sense. They represent a resort to the path of least resistance. They are an extension of the old illusion that if we pay something out of the Federal Treasury, it does not cost anybody anything. That illusion so long held by so many millions of our people must now be about shattered as they march up to pay the tax collector.

It seems rather strange to me that a large part of the clamor for the payment of consumer subsidies comes from those who, in respect to the comparative amount of pay they are presently receiving have profited the most from the extraordinary expenditures of the war effort. Their demands leave me cold. There are undoubtedly many consumers who are being badly squeezed by reason of having level incomes which do not compensate for increased living costs and

increased taxation. But I seriously doubt whether any considerable number of that group want relief through the payment of general, over-all consumer subsidies which are in issue in this bill.

It has been suggested that the expenditure of a few millions in subsidies will save billions in the cost of living and inflation. Such a contention is completely absurd. It should be obvious to everyone that if we pay out of the Federal Treasury a part of the cost of certain consumer goods, the purchaser will profit only in the amount paid, less the expense of administering the fund made available. In plain words, if the Government pays 5 cents of the cost of a pound of butter which I buy, I have profited to the tune of 5 cents, and no more.

Much has been said about the so-called farm bloc and its position in this controversy. I have been accused of belonging to that bloc, although many times my farmer friends have thought right bitterly of me because they said I did not belong to the bloc. So I do not know whether I belong or not. Let us not forget, however, that the present law authorized the administration to put a ceiling on farm prices at parity. That is the figure which is supposed to represent a fair return to the farmer. It is a figure which the administration has sought for years to reach. If prices of farm products are not ceilinged at parity, then I assume the administrators in charge of the program have reasons therefor.

Assuming that the farmer is getting no more than a fair price for his product, and assuming that subsequent processors and distributors are getting no more than a fair return for the service they perform, then the resulting price to the consumer is fair and reasonable and is not inflationary. Consumers should not resent paying such a price.

In conclusion, the majority leader said that the Congress had directed the President to "hold the line," to stabilize prices, that if we insist on this position against consumer subsidies that all of his authority in that regard, or I take it the larger part of his authority in that regard, will be nullified.

The plain fact of the matter is that a long time ago the Congress of the United States said to the President of the United States: "Stabilize prices and control the threat of inflation." The plain fact also is that in spite of the mandate of the Congress and the authority the Congress vested in the President the line has not been held, inflation or moves in the direction of inflation have not been controlled. That is not the responsibility of the Congress.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. MICHENER. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HALLECK. That is the responsibility of the administration which is presently demanding that we continue to pay in ever-increasing amounts the consumer subsidies. If we view the past record in the matter of holding the line whatever may happen about consumer

subsidies in this bill may not materially affect prices and price control. No one can definitely know what we may expect as to the future, but as far as I am concerned I am convinced that these consumer subsidies that have been paid and that they want to pay now will not be a drop in the bucket in the matter of controlling inflation. What we need is a complete turn-about and an effective and good-faith determination on the part of those in charge of administering the statutes we have enacted to prevent inflation as an over-all proposition.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HINSHAW. I understood the majority leader to say that if this bill is passed in the form in which it is brought to the floor that it will be in the nature of a directive to the President to take off all price ceilings. Does the gentleman think that?

Mr. HALLECK. No such conclusion, of course, could be reached. There is nothing in the action that is here proposed that could be said to indicate anything like that at all.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. MICHENER. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I am in favor of the rule and I shall support this bill as it is here presented. If the committee offers certain amendments which have been talked about, I expect to support those.

What I wish to direct my remarks toward at this particular moment is the reasoning which was used in the statement presented by the gentleman from Massachusetts [Mr. McCormack] because with his general thesis, I disagree. He took the position that if this bill becomes law it will put into operation great inflationary forces in our economy. I deny that general approach for these reasons: I have in my hand a circulating statement of United States money as of September 30, 1943, showing \$18,844,000,000 in circulation.

I have here a statement issued on October 30 by the Comptroller of the Currency, Treasury Department, showing that there was to the credit of individuals, corporations, and partnerships as of June 30, 1943, a little over \$82,000,000,000 in deposits, and that our people had to their credit \$8,163,000,000 in Government postal and savings deposits, or in round figures, a little over \$90,000,000,000 spending or buying power to the credit of our people and on the books of the banks of this country.

I have a bulletin from the Federal Reserve Bank which shows that we have in excess of \$22,000,000,000 of gold.

I submit, Mr. Speaker, that the deposits to the credit of our people, plus the currencies which they have in their hands and in their lock boxes, plus our gold stocks, primarily constitute the economic forces with which we shall create inflation in this country, if inflation is to come. I again deny that the provisions of this bill will bring inflation to our people.

Let me point it out in this way, Mr. Speaker: At the present time we have over four times what we had in September 1926 and in September 1929 in the form of money in circulation. We have over three and one-third times what we had in 1920, when our wholesale price index level was 167 percent of 1926 as against a price level in September of only 103 percent of the 1926 level. Our gold stocks are five times what they were in 1929 and about eight times what they were in 1920. Our total time and demand deposits are about 60 percent greater than in December 1929, and they are almost two and four-tenths times as great as they were in May 1920.

Our expansions in deposits, in gold, in currency in circulation, I repeat, Mr. Speaker, are the forces which will precipitate inflation in this country, when, as, and if we, the people, start turning those factors over and bringing into operation what the economists call the velocity of spending. For instance, in 1929 the velocity of demand deposits in banks in 101 of the reporting cities was 67 times per year. That is, \$1,000,000,000 demand deposits were moving along and energizing \$67,000,000,000 worth of business in this country. I am informed that last September our velocity was less than 20 times turn-over. When the American people begin turning over their present demand deposits and their currency and utilizing our gold in connection with the expansion of commercial credits through the banks, and turn them over at 30, 40, or 67 times per year, it is then you will feel the inflationary forces destroying our people, and then we shall be setting the stage for another great financial debacle and far worse than that one of 1929. But this little bill such as we are considering here today, if it goes into effect, will not bring inflation. I will challenge any man on this floor during the debate, in the next 3 or 4 days, to show me a statement from any recognized leading economist in this country which does not support the thesis I am here advancing with reference to the 2-dimensional characteristics of these 3 elements—demand deposits, gold, and money in circulation—as related to their velocity.

What are we doing in this country today? What are you doing with the money that is to your credit in the bank? I am talking about your demand deposits. What are you doing with the money that stands to your favor in your lockbox and in other places where you have it? Is its velocity high or low? Are you using it? How fast do you propose to turn it over in the coming months or years at which time you may desire to run away from the ownership of credits and currency into the ownership of things, of land, of farms, of real estate as city property, of commodities, of equities in corporations represented by debentures, bonds, and stocks? When you decide to run away from the ownership of credits, currency, and gold into the ownership of these other things and begin to whip up that velocity three or four times as fast as at present, that is when you will feel the economic effect of the inflationary forces to which the gentleman from Massachusetts [Mr. McCormack] referred.

But this bill will not bring inflation to our people. I am prepared to take any consequences that may come to me from a political standpoint in my support of this proposal. I contend, Mr. Speaker, that the farmers of this country are entitled to a market where they can go and sell their goods without depending on the whims, the caprices, and at times the prima donna attitudes, and the political phases that operate in appropriation committees and in legislative bodies as to whether or not farmers are to have a decent, fair, and equitable return for their labor in the form of their products which they place on the market. I do not propose to be a party now or at any subsequent date to making the farmers of this country dependent upon our appropriations with respect to subsidy money, whether through the Reconstruction Finance Corporation, the Commodity Credit Corporation, or any other Government-owned or controlled agency. I insist that the farmers of this country insofar as it is possible under war conditions, be permitted to put their produce on the open market, that they be permitted to have the O. P. A., for instance, announce the prices which will cover their cost of production plus a reasonable return, just as we buy goods from the manufacturing interests of this country through the contracts which we negotiate with them, later on renegotiate, and later on tax. The farmers in their particular branch of industry are entitled to as fair treatment in peace and in war-times as we give to our manufacturing concerns and this bill moves in the direction of doing that very thing.

I trust that this House will back up the provisions of the bill.

The SPEAKER. The time of the gentleman has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, obviously I cannot discuss the merits of this bill in 5 minutes. I insist that the reason there is so much opposition to subsidies now is because adequate consideration has not been given the subject and I do not think adequate consideration will be given in the general debate on this bill. I mean by a substantial majority of the Members of the House. Consent has already been obtained that when the House adjourns tomorrow it adjourns until Monday next. This rule provides for 2 days general debate—that is, today and tomorrow. That is an invitation. Of course it was not so intended to anybody who wants to leave until Monday, now is a good time to go, and most of the Members will go and will not be giving this bill much consideration. That is, a majority of the Members will not.

NO ALTERNATIVE FOR SUBSIDIES EXCEPT HIGHER PRICES

There is no alternative but subsidies if you want to keep down the cost of living and if you want to pay the producers an adequate price to encourage production. There is absolutely no alternative.

HIGH PRICES AND INFLATION

A vote for this bill in the form in which it is written now is a vote to further increase the high cost of living. This is a

high cost of living bill. Furthermore, a vote for this bill will promote and encourage inflation, a vote for this bill is an inflationary vote which is not the only inflationary vote the Members of this House have cast. This is an inflationary Congress.

INFLATIONARY CONGRESS

We have done everything within our power to force inflation in this country. In the first place we need a lot of money for taxes to pay on the national debt. Instead of taxing \$12,000,000,000 we gave back in the Republican Ruml plan tax bill 7½ billion dollars.

Now there is a movement on foot not to place any substantial tax bill upon the statute books, so we are going in the wrong direction. We are not taxing enough to pay the cost of the war and we are encouraging an increase in prices, which of course is inflationary as well as increasing the high cost of living.

Of course, no one can oppose the rule if he is in favor of the Commodity Credit Corporation. When the rule is adopted, the question will come up, and I expect to offer an amendment, if someone else does not, to strike out section 3. When that is done, if the Republicans vote solidly together, as they claim they will, that means we do not have a chance to get it adopted. When we do not get it adopted, we have no record vote on it. It is not possible to get any record vote on that question at all if the Republicans resist it. So in a way, whether or not it was intended, we are not getting adequate consideration to the extent that a Member will go on record on passing on this fundamental question.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I have only 5 minutes. Of course, if the gentleman insists I will yield to him.

Mr. HALLECK. I think the gentleman should yield to me on this occasion.

Mr. PATMAN. Certainly, I will yield.

Mr. HALLECK. The gentleman made a statement about how some Members might not be here to listen to the debates, that some of them might even be home. Does not the gentleman agree with me that even though frequently by reason of committee assignments or other things we have to do we cannot be present on the floor, we do have the CONGRESSIONAL RECORD, which contains all of the debates and the speeches of gentlemen like the gentleman from Texas who are informed about the subject, and we have a chance to read in the CONGRESSIONAL RECORD what has been said?

Mr. PATMAN. That is all right; I thank the gentleman, but I have only 5 minutes.

Of course, the political vote on this thing is to vote for section 3, vote for the whole bill as it is, and then when it is vetoed just pray that the veto will not be overridden. Then you have satisfied all groups, you have not lost any support, you have gained lots of support; but you would be ruined if it were actually put into effect; that would absolutely ruin you, and I do not believe the minority party wants that done.

I think if they are looking at it from the political standpoint, as I think a great

many of them are, they will vote for this bill as it is in the hope that they will gain some favor with the farmers of this country, and then pray that it will not be overridden, with the knowledge if it is not overridden that the consumers will not hold it against them. So that is a fine political vote for them to cast, for that reason, and it can be exploded only if the veto is overridden.

As I was going to say when our good friend from Indiana interrupted me, this Congress is an inflationary Congress. Everything we have done has been in that direction. It is true that we voted for a good bill to stabilize prices, wages, and salaries, and we not only asked the President but we directed him to hold that line. I do not believe it is possible to hold the line absolutely 100 percent, and you do not either. A lot of things have been done that should not have been done, but we should not say, "We will just let the country go to the dogs because certain things have happened that we do not like."

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 additional minute to the gentleman from Texas.

Mr. PATMAN. The major question is stopping inflation and keeping down the high cost of living. Here is where we are inflationary. We tell the President to hold the line. What does it take? It takes an O. P. A. with plenty of money. This Congress cut down the annual appropriation for O. P. A. \$25,000,000 so as to make it impossible for them to hold that line. The O. W. I. was doing a fine job of teaching the people the dangers of inflation, and this Congress voted to cut out their entire appropriation for that purpose, which absolutely nullified their efforts to teach the people of this country how the dangers of inflation might be combated. So this is a high-cost-of-living bill and an inflationary bill.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. MICHENER. Mr. Speaker, I regret that the gentleman from Texas [Mr. PATMAN], who to my personal knowledge has made the same speech—which fact can be established by reading the RECORD—a number of times in the last 2 weeks, finds fault because some of the Members do not feel inclined to sit on the floor when he speaks and hear him reiterate the same things he has repeated so many times. I respect his views, and maybe he is right, but he should not criticize those who do not remain at all times to hear the repetition.

Mr. Speaker, I do not care to take any more time.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I shall not discuss the merits of the bill here today. I do want to explain the rule which brings it up for consideration.

I had not heard that there was any question about this being a closed or gag rule until the gentleman from Michigan spoke of it. The contrary is the fact. It is an open rule, about as liberal a rule as we could grant without violating all of

the rules of the House. As a matter of fact, neither the proponents nor the opponents of the bill ever asked for a closed rule.

This rule does just two things. It fixes the time for debate and brings the bill to the floor for consideration. That is all the rule does. When it gets here it is governed by the general rules of the House.

The only controversial thing in the bill is section 3, relating to subsidies. Those who oppose that section when they appeared before the Committee on Rules asked for a special rule that would give an opportunity to have a roll-call vote on that separate question. It is true that that question is perhaps somewhat unrelated to the rest of the bill. Some of us thought there was some merit in that contention, and the Committee on Rules did give it very careful consideration, but we reached the conclusion that the rule gives the right to a motion to recommit, and the minority or those who lose on the motion to strike out section 3 will have control of the motion to recommit.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. PATMAN. Is the gentleman stating that correctly? I know he intends to, but suppose the motion loses, would not one on the majority side have the right to make that motion to recommit, not one in the minority on the question to be decided? In other words, one on the minority side would be entitled to first recognition and could just make a regular motion to recommit anything to dodge the issue, and we would not have a chance.

Mr. SMITH of Virginia. I think the minority is entitled to the motion to recommit, but that is the only question in dispute on the bill, and I am not going to assume that the minority will not act in good faith. Of course, if the motion to strike out section 3 prevails, then under the general rules of the House there can be a separate roll-call vote on the bill.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I assume that if the rule is adopted I shall have the control of the time on this side of the aisle. Although I do not know that I have on my list as yet anyone who wants to speak against the bill, if there are any on this side who want to speak against the bill, if they will notify me I shall be very glad to give them time.

Mr. BOREN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Oklahoma.

Mr. BOREN. There are gentlemen on this side of the aisle who will want to speak against the bill. I would take this exception to the remarks of the gentleman from Virginia about the controversy on the bill, that there are certainly some of us left who feel that whether or not this corporation ought to be continued at all is a controversial issue. If there is going to be a division of time on the basis of being for or against the bill, we

should like to have some assurance that we shall have time to speak.

Mr. SMITH of Virginia. Of course, the Committee on Rules has nothing to do with the division of time under this rule. The gentleman will have to take that up with the Committee on Banking and Currency. As far as our committee was advised, there was no controversy relative to the continuation of the Commodity Credit Corporation. It was not brought to our attention.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate, having proceeded to reconsider the bill (S. 514) entitled "An act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton," returned by the President of the United States with his objections, to the Senate of the United States, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the Senate having voted in the affirmative.

The message also announced that the Senate agrees to the amendments of the House to a bill and a joint resolution of the Senate of the following titles:

S. 1169. An act for the relief of Samuel Margolin; and

S. J. Res. 47. Joint resolution providing for the appointment of a National Agricultural Jefferson Bicentenary Committee to carry out under the general direction of the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson appropriate exercises and activities in recognition of the services and contributions of Thomas Jefferson to the farmers and the agriculture of the Nation.

ESTATE OF K. T. HAMILTON (H. DOC. NO. 359)

The SPEAKER laid before the House the following message from the President of the United States, which was read: *To the Senate:*

I return herewith, without my approval, S. 514, entitled "an act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton."

This bill authorizes and directs the payment by the Secretary of the Treasury to Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton, the sum of \$7,025.50, together with interest on such sum at the rate of 6 percent per annum from November 23, 1939, until the date of payment by the Secretary in full satisfaction of the claim of such estate against the United States for refund of the taxes erroneously paid.

Mrs. Kate E. Hamilton died intestate in Memphis, Tenn., on December 1, 1930. On December 31, 1931, Mrs. Blanche H. Karsch paid an estate tax with interest of \$26,017.15, and on January 24, 1933, paid an additional tax, with interest, amounting to \$1,400.40. Litigation involving the estate was not complete until 1939.

Mrs. Karsch filed a claim for refund on November 25, 1939, which was rejected on December 15, 1939, by virtue of section

319 (b) of title III—estate tax—of the Revenue Act of 1926 which provides as follows:

All claims for the refunding of the tax imposed by this title alleged to have been erroneously or illegally assessed or collected must be presented to the Commissioner within 3 years next after the payment of such tax.

It appears that the court proceedings were instituted prior to the expiration of the date for filing claims for refund and that a timely claim to protect the interest of the estate could properly have been filed.

Congress has determined that it is sound policy to include in all the revenue acts statutes of limitations, by the operation of which, after a certain period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of taxes. This bill selects a single taxpayer for special treatment by excepting her from this policy. The whole body of Federal taxpayers is thus discriminated against, and a precedent is established, opening the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

I know of no circumstances which would justify the exception made by S. 514 to the long-continued policy of Congress, and do not believe that the field of special legislation should be opened to relieve special classes of taxpayers from the consequences of their failure to file claims within the period fixed by law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, October 28, 1943.

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. McGEHEE. Mr. Speaker, I move that the bill and the President's message be referred to the Committee on Claims and ordered printed.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Mississippi.

The motion was agreed to.

CONTINUING COMMODITY CREDIT CORPORATION

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3477, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. STEAGALL].

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question on the matter of procedure, not on the bill?

Mr. STEAGALL. Yes.

Mr. PATMAN. There are at least 10 or 11 Democrats on the committee who are against section 3 of the bill and we understand that some Republicans are against it. Since there are 2 days of debate under the rule, and the House is to meet tomorrow at 11 o'clock, will the gentleman allow us who are against section 3 some definite time for debate today?

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. BROWN of Georgia. There are also about eight Democrats on the committee who are in favor of the bill, and we will want some time also.

Mr. STEAGALL. I think that the casting up of the vote on this bill at this time is rather immature. I am not in a position to say how people are going to vote.

Mr. PATMAN. If we are going to get any time, we would like to know now, and if we are not, we would like to know it.

Mr. STEAGALL. Of course, the gentleman will get time. Let me say this. The rule provides for 2 days of general debate, and incidentally I will say that I requested that much time be allowed. I did so in deference to the wishes of the minority members of the committee, and I speak of the minority with reference to the matter in controversy in this legislation. It is not my thought that such an amount of time is necessary, but I was glad to meet the wishes of my friend from Texas. The rule provides for 2 days of debate as I say. I do not know under the language of the rule how either myself or the gentleman could at this moment undertake to divide this time on the basis of hours, because I do not know whether the debate will end tomorrow under the rule or whether further time will be allowed on Monday. I say this to the gentleman, that I have not yet allocated any time, but of course I expect to give the gentleman from Texas ample time.

Mr. PATMAN. Assuming that we will have debate for 3 hours—

Mr. STEAGALL. The gentleman means today?

Mr. PATMAN. Yes. At least the gentleman could give us 1 hour or 1 hour and a half today.

Mr. STEAGALL. Very well. I want to be just a little more considerate of the minority in this matter than I am of the majority, and I shall now yield 1 hour to be used by—shall we say—the gentleman's side of this controversy this afternoon.

Mr. PATMAN. If the debate goes that long—3 hours.

Mr. STEAGALL. I do not know how long the committee will run, but the gentleman will get his hour.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. HOFFMAN. I want to know when the gentleman is going to give the gentleman from Texas time. We would

like to know so that we may be present here to hear him. I am making that request so that I might be here when he speaks. I do not want that to be misunderstood.

Mr. STEAGALL. I appreciate the facetious remark of the gentleman from Michigan. Of course we are all delighted to hear the gentleman from Texas [Mr. PATMAN] whenever we have a chance.

The CHAIRMAN. Did the gentleman from Alabama state how much time he desires to consume?

Mr. STEAGALL. Mr. Chairman, I shall use 15 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama for 15 minutes.

Mr. STEAGALL. Mr. Chairman, this matter has been discussed so frequently and so fully and on so many occasions that it is difficult to discuss it if one desires to avoid repetition. So I do not intend to tax the patience of the House very long. First, that section 1 of the bill was supported by a unanimous vote of the Committee on Banking and Currency. It has interdepartmental approval and, so far as I know, there is no objection whatever to it. It simply makes a minor change in the manner of making up the annual appraisal and accounting of the Commodity Credit Corporation. It seems more appropriate for the appraisal to be made on June 30 each year, since that is the closing date of the fiscal year. The new basis for appraisal provided by this section is cost at the time of appraisal, or the average market prices during the last month of the fiscal year, whichever is lower, rather than cost plus a year's carrying charges, or the average market price for 12 months, whichever is the lower.

Section 2 of the bill would establish a method of accounting of the activities of the Corporation, to be conducted by the General Accounting Office, and extends the life of the Commodity Credit Corporation as an agency of the Government to June 30, 1945. This provision, as in the case of section 1, was not controversial in the committee and, so far as I know, has incurred no opposition anywhere.

Section 4 of the bill, as far as the Committee on Banking and Currency is concerned, is unopposed and the report as to that provision of the bill was unanimous. So that we have only one matter in controversy in this measure. It will be remembered that Congress was asked in 1941 to pass a price-control bill, which we were told was necessary to prevent a run-away inflation during the period of the war. Let me remind the Members of the House that the first proposal submitted to us would have given unlimited authority to the Price Administrator provided for in the bill to fix prices upon all commodities in the United States at his own sweet will. I will say that under that proposal he would have been given the power to fix the price of cotton at 5 cents a pound, of wheat at 25 cents, or corn at 30 cents, if he had seen fit. Meantime the bill embodied a specific provision exempting wages and salaries from its operation.

I notified the Administrator at that time that I would not support or sponsor any such proposal. We were then handed a bill placing a limitation upon his power to control prices of agricultural commodities to the effect that no ceiling might be imposed at less than parity. I made known, as I think everybody understands who has the slightest grasp of the matter, that if we were to fix a price at parity it could not be sustained at that figure for the reason that all transactions, speculations on the board, and what not would have to be conducted inside that limit, and, therefore, you could not sustain such a price. I further insisted—and do not think I did not have to insist—that I would not sponsor the bill without a further safeguarding provision to the effect that no ceiling might be established on any article processed from any agricultural commodity that would not protect the price reflected to the producer. And do not think it was not bitterly opposed. I had to talk plainly with the young lawyer who represented the O. P. A. at that time and who has since entered the service of his country. I had to tell him that he would never be able to blindfold any member of our committee by simply offering a parity provision without the addition of a safeguard covering articles processed from agricultural commodities. I wrote with my own hand what I thought was a common-sense provision that would assure something approaching fair treatment to agriculture, because it was evident, when once the Administrator and his lawyer brought to us a bill to confer unlimited power for control of the prices of farm commodities containing a specific exemption of wages and salaries, nobody could ever have been misled as to what was in their minds or what their real intentions were. So I wrote in a provision that no ceiling on agricultural commodity or on any article processed from any agricultural commodity could be imposed at less than 110 percent of parity.

Of course, that provision would not have afforded fair comparative treatment for agriculture, but it was at least a step in that direction. I was assured that the provision would be accepted. It seems this was forgotten a little later when the matter was taken to the Senate committee and where a contrary insistence was made. This provision was adopted by the Committee on Banking and Currency of the Senate, by the Senate, and finally incorporated in the act. The Members of the House are familiar with what later happened with respect to the 110-percent-parity provision of that act. It is enough to say that Congress was notified that that provision had to be repealed by legislative act or that it would be done otherwise, else our national economy would be disrupted and the war program imperiled if that provision of the act were not repealed. Well, like good soldiers, we went along and repealed that provision of the original Price Control Act. And what happened? We gave the power to fix controls at parity on any agricultural commodity produced in the country. What happened? According to the last account I had of

it a few days ago, the average price of farm commodities in this country was nearing 20 percent above the parity level, which they were authorized to establish under the provisions of the last so-called Price Control Act. Yet, the Republic still lives, thank God, and we have not lost the war.

But of course, Congress is to blame for anything that goes wrong. When they handed us the second bill which we had been told was to be another price-control bill, to strike out the 110-percent parity limitation, we were presented with a different measure entirely, giving blanket authority carrying the power of life and death over our national economy. And the word "inflation" was not in the bill, and it is not in the law now, except where I wrote it into the title with my own hand.

After all, I wonder how many people in this country who talk and read about inflation every day have the slightest understanding of what they are talking about, or what they are reading. If there is any word in the English language that has been overworked in recent days it is that word.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Mr. Chairman, I yield.

Miss SUMNER of Illinois. The gentleman recalls that Leon Henderson and Mrs. Roosevelt and the rest of them took the radio and told the people that if the bill were passed putting a ceiling on wages, it would be against the Constitution and would be human bondage, and then they came in and asked for a bill to put on an amendment of the same nature.

Mr. STEAGALL. Well, that is getting a little ahead of me, but I will say to the lady from Illinois that the RECORD justifies her statement of facts.

This matter of inflation has been talked about a great deal here. Do you know who were the pioneers in this country in the matter of stabilization legislation? I want to tell you. In 1932 this House passed a stabilization bill. It had the support of the leading economists of the country. It passed the House with only 60 votes against it, as I remember. My good friend from Texas [Mr. PATMAN] and I, were in that fight. I want to tell you that the farm organizations of the United States were the pioneers whose support brought about the passage of that bill in this House.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. STEAGALL] has expired.

Mr. STEAGALL. Mr. Chairman, I yield myself 10 additional minutes.

The leading farm organizations of the United States supported the first price control bill. I do not think I would be in error if I said we could not have passed it without their support. They are not for inflation. We did not have inflation then and we do not have any inflation now that need disturb anybody.

We all agree that the 1926 price level was a fair basis upon which to stabilize. That is what we provided in the bill that passed this House in 1932. It directed the Secretary of the Treasury and the

Federal Reserve System to use all their vast powers to restore the 1926 price level and stabilize there. The price level only a few days ago reached the 1926 level, and it is now only a point or two above it, as I recall.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BROWN of Georgia. The gentleman from Texas [Mr. PATMAN] stated that the bill did not carry any funds for the further operation of the Commodity Credit Corporation.

Mr. STEAGALL. That is correct.

Mr. BROWN of Georgia. Will the gentleman explain why it does not?

Mr. STEAGALL. I will. I do not remember that there was any proposal in the committee to increase it. Of course, those of us who are concerned about preserving the Commodity Credit Corporation and keeping it in the channel for which it was intended and to render the service for which it was established, are at least as much concerned as anybody else about its successful operation. We would, of course, have provided additional funds if it had been necessary. The only reason we did not provide additional funds was that there was no showing to justify it. We provided \$350,000,000 additional in the bill which was passed just after the veto when we extended the Commodity Credit Corporation until the 1st of January, 1944, and it was not insisted that it was needed. The truth is Dr. Hutson did not insist that they needed any more money and, of course, if they had we would have given it to them. I notice the Senate bill has provided for \$250,000,000 additional money. If they show any need for it, of course we would all agree, but that is not a matter in controversy. The minute they show a need for money to carry out any legitimate function it will be immediately authorized.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think for those who are not members of the committee the record should further show that Dr. Hutson told the committee that, due to the Commodity Credit Corporation's having liquidated some of its inventories, they did not need any additional funds at this time.

Mr. STEAGALL. I was not aware that he made the statement to the committee, and I hesitated to quote him, because I do remember that he made that statement to me in private conversation. In view of the gentleman's statement, I do not hesitate to quote what he said in a private conversation. There is no trouble about money. But why give them more than they need?

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. O'CONNOR. The gentleman spoke about inflation. Does the gentleman think there is anything inflationary about a price of \$1.59 for wheat in Chicago and 90 cents for corn in Chicago bearing in mind the distance corn has to be shipped from west coast States,

Montana, or even the east coast, to the city of Chicago?

Mr. STEAGALL. I have already indicated what I think about the situation with respect to inflation. Now, about this matter of subsidies, it is a long story, and I am not going to talk at great length. It is as simple as first arithmetic in a graded school that if you pay a part of a man's debt or pay a part of his living expenses, no matter what it is, you have put into your money supply that additional sum, no matter where it comes from; and, of course, any sum added to the billions that now exist with their inflationary pressure upon prices is in its nature inherently inflationary. There can be no denial of that proposition.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. WRIGHT. If we could be assured that if prices went up wages would remain stationary I would be inclined to agree with the gentleman, but I think any person with a realistic approach at the present time realizes that growing pressure for an increase in wages results in an increase in prices and that an increase in prices necessarily will cause an increase in wages and there you have inflation that much more.

Mr. STEAGALL. The gentleman does not mean to say that we have not had increases in wages already, does he?

Mr. WRIGHT. To a certain extent we have.

Mr. STEAGALL. He does not mean to say we have not had an increase in wages under the law as it exists while we are paying subsidies.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. STEAGALL. Yes; I yield further to the gentleman.

Mr. WRIGHT. To a certain extent we have had increases in wages.

Mr. STEAGALL. That is what I am asking the gentleman, if we have not had increases in wages? And let me say to the gentleman that when we wrote the Little Steel formula into the second act there were many—I do not have the number—but many instances where labor was receiving a wage below the Little Steel formula. Is not that correct?

Mr. WRIGHT. I think that is correct.

Mr. STEAGALL. That is correct. Could we have justified establishing the Little Steel formula and have limited it to a portion of labor and denied others the benefit of it? Would it have been fair to have picked out some of those who by strikes or other means forced increases and left the others out? At the time we wrote that Little Steel formula into law we invited everybody below it to demand increases to equal the Little Steel formula, and it was inflationary in the amount of many millions. The Little Steel formula was highly inflationary, and it cannot be denied.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. STEAGALL. I yield.

Mr. WRIGHT. It is true, is it not, that under our present economic set-up of wages and prices there cannot be an

increase in price without an increase in wages?

Mr. STEAGALL. No; I deny that entirely.

Mr. WRIGHT. Is not the Little Steel formula conditioned upon the fact that there had been a 15-percent increase in the cost of living as of September last year? Now we have an increase above it and wages have lagged behind prices.

Mr. STEAGALL. We adopted the Little Steel formula arbitrarily. I have some figures that will show how they are hooked together.

Mr. PATMAN. Mr. Chairman, if the gentleman will yield, the gentleman is mistaken. The Little Steel formula was not written into law; that was a Labor Board decision, was it not?

Mr. STEAGALL. That is the standard we set up in the law.

Mr. PATMAN. It is a part of the War Labor Board's decision, I think the gentleman will find.

Mr. STEAGALL. I have something here that will be interesting right in that connection. The fact is there is not anything more ridiculous than to charge the farmer with responsibility for inflation when he receives less than one-tenth of the national income, an enormous national income that will run to perhaps \$150,000,000,000 during the present year. Let me say to my friend from Texas that since the passage of the Stabilization Act wages of industrial workers have increased 15 percent, while the cost of living has increased only 4 percent.

Mr. CRAWFORD. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understood the gentleman who is now speaking correctly a few moments ago, he gave us facts to the effect that for several years we have spent many billions of dollars in an effort to reflate prices back to the 1926 level.

Mr. STEAGALL. The President in a speech soon after he was inaugurated said that he was not going to stop until we reached the 1926 price level, but we did not reach it.

Mr. CRAWFORD. When we came along with the 1941 proposal and the 15 percent that has been referred to, we go far back into the period before we reached the 1926 level?

Mr. STEAGALL. Oh, yes; that is true.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEAGALL. Mr. Chairman, I yield myself 10 additional minutes.

Mr. CRAWFORD. The gentleman has pointed out to us very recently that we have reached the 1926 level. What sense would there be, for instance, in our going back below the price level of 1926 after spending billions of dollars in an effort to reflate to that point?

Mr. STEAGALL. We have had a leadership in financial circles in this country who have been lying awake at night and disturbing their souls over the danger of inflation year in and year out and they have been filling the press and speaking over the radio trying to alarm the public about it when 10,000,000 people were walking the streets of the country unable to find employment and farmers by the thousands were be-

ing turned out of their homes under bankruptcy foreclosure. Prices were at destructive levels and the country was in a condition of danger that we do not like to speak of even at this late date.

Mr. O'CONNOR. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not true that the price of farm products before they leave the farm is scarcely more than the cost of production and if there is inflation with reference to farm products it happens after they get into the hands of the distributor?

Mr. STEAGALL. Oh, yes. I would like to talk a long time about that. We tried to include the cost of labor into the last act, but they have never followed it.

Mr. O'CONNOR. Is not the statement I made true that if inflation occurs with reference to farm products it occurs after they leave the farmer's place?

Mr. STEAGALL. That is what I am going to show you right now in reply to my good friend from Pennsylvania. Let me show you what has happened. You talk about farm prices and wages being yoked together. I will put these figures in the RECORD and some more. I cannot use them all this afternoon. But here is what the figures show:

Using the 1939 figures, beginning January 1940 at 100, the retail food prices were 95, in relation to 100, labor cost per unit of industrial production 97.5, factory pay rolls for employed worker 110. Mind you, this is in 1940, and do not forget that during the time between the passage of the first act and the last act wages had been rising by leaps and bounds during all those months without real interference.

Here they are on the 1st of January 1940, with the cost of living at 100: Factory pay rolls 110.2.

I will not give you all these figures. Let us come on down to December 1940. Cost of living 101, retail food prices 97, labor cost per unit of industrial production 103.6—from 97.5.

Coming on down to January 1941, cost of living 101, retail food prices 98, labor cost per unit of industrial production 105. I am not giving all of these. I will put them in the RECORD.

In December 1941, cost of living 110, retail food prices 113, labor cost per unit of industrial production 124.6.

In January 1942, cost of living 112, retail prices 116, labor cost per unit of industrial production 125.1. They cannot catch up.

December 1942, cost of living 120, retail food prices 133, labor cost per unit of industrial production 155.3.

January 1943 cost of living, 121; retail food prices, 133; labor costs per unit of industrial production, 155.9.

August 1943 cost of living, 123; retail food prices, 137; labor costs per unit of industrial production, 165. The figures show they have never been yoked together. What is the fact? The fact is your increase in the cost of living and the increase in the price of farm products follow increases in wages, they trail the increases of wages all the time, and they have never caught up.

Mr. MONRONEY. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would appreciate the chairman of the Committee on Banking and Currency telling us how he arrived at the labor cost per unit of industrial production.

Mr. STEAGALL. These are figures of the Bureau of Labor Statistics of the Department of Labor and are certainly as authentic and as carefully prepared and as worthy of consideration as any that were submitted to our committee in connection with this legislation and I may say they were submitted by one of the best informed men who has ever appeared before our committee. You can answer this in any way you see fit, because you will have it in the RECORD in the morning. Right here I wish to insert tables supplied by another witness who appeared before the committee who was also most informative, to which I invite attention and which I wish to give opportunity to refute or explain:

Percentage increase in average weekly earnings of workers in all manufacturing industries and in the cost of living since September 1942¹

Year and month	Weekly earnings	Cost of living
1942:		
September.....	0	0
October.....	2.9	1.0
November.....	5.2	1.7
December.....	6.5	2.2
1943:		
January.....	7.5	2.5
February.....	8.8	2.7
March.....	10.4	4.2
April.....	12.4	5.3
May.....	14.0	6.2
June.....	14.7	5.9
July.....	13.1	5.1
August.....	14.9	4.6

¹ Calculated from data compiled by the U. S. Department of Labor, and published in the October 1943 issue of the Survey of Current Business, U. S. Department of Commerce.

The "hold the line" order was intended to stabilize the cost of living and wages as of September 15, 1942. Between September 1942 and August 1943, the average weekly earnings of factory workers in manufacturing industries increased 14.9 percent. During this same period, the cost of living increased 4.6 percent.

Percentage increase in average weekly earnings of industrial workers and in the cost of living since January 1941¹

Month	1941		1942		1943	
	Weekly earnings	Cost of living	Weekly earnings	Cost of living	Weekly earnings	Cost of living
January.....	0	0	22.4	11.1	42.3	19.7
February.....	2.6	0	22.6	12.0	43.3	20.0
March.....	3.9	0.4	24.6	13.4	44.7	21.8
April.....	4.2	1.4	26.4	14.2	47.1	23.1
May.....	8.2	2.1	27.4	15.1	50.0	24.1
June.....	11.9	3.8	29.1	15.5	50.8	23.8
July.....	10.1	4.5	30.0	16.1	50.6	22.8
August.....	11.4	5.4	33.5	16.6	-----	22.2
September.....	14.7	7.2	36.5	16.9	-----	-----
October.....	16.5	8.4	37.5	18.1	-----	-----
November.....	16.8	9.3	38.8	18.8	-----	-----
December.....	17.9	9.6	40.4	19.4	-----	-----

¹ Calculated from data compiled by the Industrial Conference Board, and published in the Survey of Current Business, U. S. Department of Commerce.

The Little Steel formula allowed for an increase in wages of 15 percent in order to take

care of the rise in the cost of living between January 1, 1941, and September 15, 1942. Actually, during this period the average weekly earnings of industrial workers increased nearly 37 percent, compared with an increase of about 17 percent in the cost of living. In July 1943, weekly earnings of industrial workers were 51 percent above the January 1941 level, compared with a 23-percent increase in the cost of living.

Comparison of the real wages of industrial workers with the pre-war average

[1935-39=100]

Year and month	Wage income per employed industrial worker	Cost of living	Real wages
1935-39 average..	100.0	100.0	100.0
1941: January.....	118.7	100.8	117.8
1942:			
January.....	145.6	112.0	130.0
September.....	167.3	117.8	142.0
1943:			
January.....	173.4	120.7	143.7
February.....	177.2	121.0	146.4
March.....	181.1	122.8	147.5
April.....	184.1	124.1	148.3
May.....	186.2	125.1	148.8
June.....	185.5	124.8	148.6
July.....	186.8	123.8	150.9
August ¹	190.8	123.2	154.9

¹ Preliminary.

Data compiled by the Bureau of Agricultural Economics. Cost of living index compiled by the Bureau of Labor Statistics. "Real wages" is wage income divided by the cost of living and represents the purchasing power of wages.

In August 1943 the wage income per employed industrial worker was nearly 91 percent above the pre-war (1935-39) average. The cost of living was about 23 percent higher, making an increase in real wages of 55 percent.

The data following take into account the fact that many consumers are buying more and better quality foods, eating at restaurants more frequently, and the like, than they did when their incomes were lower.

Expenditures of consumers for food expressed as a percent of total income, 1929-43

Year and food expenditures as a percent of total income:

1929.....	23
1930.....	24
1931.....	24
1932.....	25
1933.....	25
1934.....	24
1935.....	23
1936.....	21
1937.....	21
1938.....	22
1939.....	21
1940.....	21
1941.....	20
1942.....	21
1943 ¹	20

¹ Data for July 1943.

Source: United States Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, page 12; May-June 1943, page 3.

Expenditures for food in relation to consumer's income are lower today than they were before the war. In July 1943, only 20 percent of the average consumer's income was required to purchase food, compared with 21 to 22 percent in the pre-war years and 25 percent during the depression of 1932-33. If consumers were now buying the same quantity of food as they did during the pre-war years of 1935-39, their expenditures for food would amount to only 16 percent of their incomes.

The data following are based upon the assumption that consumers had not changed

their buying habits and were purchasing the same quantities of food as they did during the pre-war period of 1935-39.

Percent of total consumer income required to purchase the same quantity of food as consumed in the pre-war period of 1935 to 1939

Year and percent cost of fixed quantities of food is of total income:

1913.....	28
1914.....	30
1915.....	26
1916.....	24
1917.....	31
1918.....	31
1919.....	33
1920.....	32
1921.....	28
1922.....	26
1923.....	24
1924.....	23
1925.....	24
1926.....	24
1927.....	23
1928.....	23
1929.....	22
1930.....	23
1931.....	22
1932.....	24
1933.....	25
1934.....	25
1935.....	25
1936.....	22
1937.....	21
1938.....	21
1939.....	20
1940.....	18
1941.....	17
1942.....	17
1943 ¹	16

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

Food in terms of consumer incomes and pre-war consumption habits is cheaper today than any time in the last 30 years. If consumers purchased the same quantities of food today as they did during 1935-39, only 16 percent of their income would be required for food expenditures, compared with 20 percent in 1939, 25 percent in 1933, and 33 percent in 1919. Actually, higher incomes have resulted in many consumers buying more and better food, eating more meals at restaurants, and the like, than in pre-war years. Consequently consumers are now spending around 20 percent of their income for food.

Increase in average weekly earnings of industrial workers compared with the increase in food cost for a family of 4, January 1941 to July 1943 (based upon the assumption that there is only 1 wage earner in a family of 4)

	Average weekly earnings of industrial workers ¹	Estimated food expenditures per week for a family of 4 ²	
		Total amount spent for food, including meals at restaurants and the like	Assuming the same quantity of food was purchased as in the pre-war years 1935-39
January 1941.....	\$30.61	\$10.08	\$8.76
September 1942.....	41.79	13.68	11.16
July 1943.....	46.10	16.32	12.60
Increase January 1941 to July 1943.....	15.49	6.24	3.84

¹ Compiled by the National Industrial Conference Board and published in the Survey of Current Business, U. S. Department of Commerce.

² Estimated from data published in the Marketing and Transportation Situation, September-October 1943, table 6, p. 21. The figures for January 1941 were estimated on the basis of the data reported for 1940 and 1941.

The average weekly earnings of industrial workers increased \$15.49 between January 1941 and July 1943. During this same period a very liberal estimate placed the increase in the weekly food expenditure for a family of four at \$6.24. Assuming that there is only one wage earner in a family of four, the increase in earnings has been much greater than the increase in food expenditures. If the worker purchased the same quantity of food as in the pre-war years, food cost for a family of four would have advanced \$3.84 per week, compared with an increase of \$15.49 in weekly earnings. Part of the increase in food costs has been due to many families purchasing more and better quality food than when incomes were lower.

Estimated effect of subsidies upon the daily food costs for a family of 4 persons

Product	Amount of subsidy per unit ¹	Estimated annual civilian consumption per capita for 1943 ²	Effect on daily food cost for a family of 4 ³
			<i>Cents per day</i>
Butter.....	5 cents per pound.	13.0 pounds.	0.71
Cheese.....	4 cents per pound.	4.9 pounds..	.22
Milk.....	1 cent per quart.	180.5 quarts..	1.98
Meat.....	3 cents per pound.	124 pounds..	4.08
Bread.....	1 cent per loaf.	92.5 loaves..	1.01
Sugar.....	1 cent per pound.	75 pounds..	.82
Vegetables.....	3.5 cents per No. 2 can.	19.2 No. 2 cans.	.74
Potatoes.....	1 cent per pound.	131 pounds..	1.44
Amount per day for a family of 4.....			11.00
Amount per day per individual.....			2.75

¹ Based upon or calculated from information released by the Office of Economic Stabilization.

² Based upon data published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

³ Calculated by multiplying the amount of the subsidy by the annual per capita consumption, then multiplying by 4 and dividing by 365.

The food subsidy program as now being applied by the Government amounts to about 11 cents per day for a family of four persons, or 2¾ cents per day per individual. Butter subsidies of 5 cents a pound amount to about 65 cents per year per person. A bread subsidy of 1 cent per loaf would amount to less than \$1 per year per person. The present consumer subsidy program amounts to around \$10 per year per person.

Disposition of income payments to individuals in the United States, 1939-44

[Millions of dollars]

	1939	1940	1941	1942	1943 ¹	1944 ¹
Income payments to individuals.....	70.8	76.5	92.2	115.5	142	157
Less: Personal taxes and nontax payments.....	3.1	3.3	4.0	6.6	16	20
Amount left for consumers to spend.....	67.7	73.2	88.2	108.9	126	137
Consumer expenditures.....	61.7	65.7	74.6	82.0	90	90
Unspent funds or savings of individuals and inflationary gap.....	6.0	7.5	13.6	26.9	36	47

¹ Last half of 1943 estimated. The 1944 figures taken from a speech by Judge Vinson before the Investment Bankers Association, Chicago, Ill., November 1943.

Source: Survey of Current Business, U. S. Department of Commerce.

Total income payments to individuals in 1943 were estimated at \$142,000,000,000, compared with \$71,000,000,000 in 1939. After allowance is made for taxes and the greatly increased consumer expenditures, \$36,000,000,000 of the 1943 income will remain in the hands of consumers as unspent funds or savings, compared with only \$6,000,000,000 in 1939. A national income of \$157,000,000,000 is estimated for 1944, with \$47,000,000,000 remaining in the hands of consumers as unspent funds or savings. Herein lies the inflationary gap—more money to spend for less goods. This gap has been widening each year since the beginning of the war and has a cumulative effect from year to year that becomes a more important inflationary factor each day the war progresses. This excess buying power is showing up in many ways. The sale of furs in 1943 was 104 percent above the corresponding period of 1942. The sale of coats and suits increased 65 percent, and the sale of flowers was 30 percent above a year earlier.

Cost of the war program to the U. S. Government (cumulative totals)¹

[Billions of dollars]

Year and month	Program ¹	Commitments ²	Cash expenditures ²
1940:			
July.....	9.4	4.0	0.2
December.....	21.4	14.5	1.9
1941:			
June.....	38.1	29.2	6.7
December.....	77.7	52.8	15.8
1942:			
June.....	175.6	133.9	34.9
December.....	237.9	183.8	68.2
1943:			
June.....	275.8	223.5	110.0
July.....	339.9	230.3	116.8
August.....	339.7		124.3

¹ Survey of Current Business, June 1943, p. 29, and October 1943, p. 18. U. S. Department of Commerce.

² The war program includes the money appropriated by Congress. Commitments include contracts awarded and the like. Cash expenditures are the amount of disbursements by the United States Treasury.

World War No. 1 cost the United States around \$32,000,000,000. By August 1943 the Congress of the United States had appropriated nearly \$340,000,000,000 for the prosecution of World War No. 2. Commitments, which are made up largely of contracts awarded and the like, totaled around \$230,000,000,000. The actual cash paid out by the United States Treasury for war purposes amounted to over \$124,000,000,000.

Per capita share of the national debt, World War No. 1 and World War No. 2 as of Oct. 31, 1943

	Total national debt	National debt per capita
	<i>Billions of dollars</i>	<i>Dollars</i>
World War No. 1:		
Pre-World War No. 1 debt (Mar. 31, 1917).....	1.3	12
Highest World War No. 1 debt (Aug. 31, 1919).....	26.6	250
Lowest Post-World War No. 1 debt (Dec. 31, 1930).....	16.0	130
World War No. 2:		
Pre-World War No. 2 debt (Nov. 30, 1941).....	55.0	412
World War No. 2 debt 1 year ago (Oct. 31, 1942).....	92.9	686
World War No. 2 debt 1 month ago (Sept. 30, 1943).....	158.3	1,156
Present World War No. 2 debt (Oct. 31, 1943).....	165.0	1,204

¹ Does not include guaranteed obligations of the Government agencies, which amounted to 4.1 billion dollars.

Source: The Chicago Journal of Commerce, Nov. 4, 1943.

The national debt per capita on October 31, 1943, amounted to nearly \$1,204, or an average of \$4,816 for a family of four. During the month of October 1943 the per capita national debt increased approximately \$48, while the increase for the year ending October 31, 1943, amounted to about \$517. The highest peak the national debt reached during World War No. 1 was about \$250 per capita, or \$954 less than the present debt burden.

Mr. DONDERO. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. DONDERO. I was interested in the statement regarding the price of hogs. In spite of a floor being placed under the price of hogs, guaranteed to the farmer, the price went below that recently because of the large supply. The natural law of supply and demand does have something to do with prices, does it?

Mr. STEAGALL. I do not know about that. I cannot answer the gentleman as to the specific item. My head is swimming these days. But at last accounts the law of supply and demand was still doing business at the same old stand. Of course, a child knows when you want to get increased production, the more you pay for it the more you get and the easier it is to get. Let no one say that the farmer is undertaking to raise prices and turn on a flood of wild inflation to imperil the war program. Nobody favors anything like that. The farmer only asks a fair deal and a price that no one denies is fair and just. The truth is this unnecessary interference with the law of supply and demand, this meddlesome and impractical method of administering the law has confused the people of the country. They do not know where they are. They encounter so many regulations, so many senseless rules, and so many indefensible methods of enforcement, that we face a storm of complaint and criticism to the extent that no Member of Congress can read his mail or keep track of all that is going on.

Let me say this. I had some responsibility in the passage of the Price Control Act. I thought it was necessary. I think some good has been done and I think they have rendered a good service to a certain extent. But I cannot say that I endorse the methods employed in the administration of the act, and, to be perfectly frank about it, I do not for a moment endorse the viewpoint or the philosophy of the controlling minds directing the administration of the O. P. A. Act.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I do not want to take much more time. I would like to yield, but I am anxious to conclude.

Mr. MARCANTONIO. I just want to get a clarifying statement from the gentleman.

Mr. STEAGALL. I have taken more time than I should have, anyway.

I do not like to have to differ with my good friends, I do not like to have to differ from some of those who are advisors of our administration in these matters, but boys I have been back home. Please do

not understand that I have reached the age where I should be giving counsel so much. The Bible says old men for counsel. I do not want to be classed in that category, but if I were going to advise, I would advise some of my friends to steal away for a few days and go home and talk with their neighbors and friends and discuss these things. Or if you will just come over to my office and read a lot of the mail I cannot find time to read, I think it would be informative, and it might not serve a bad purpose in 1944. Of course, as for myself, I am innocent of politics.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. STEAGALL. Mr. Chairman, I yield myself 5 additional minutes.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to my good friend from New York.

Mr. BARRY. Back in the days when there were great farm surpluses and the farmer could not get any price for his product, did not the gentleman from Alabama, when he voted for parity payments, vote against the law of supply and demand?

Mr. STEAGALL. Let me ask the gentleman something.

Mr. BARRY. Answer me first; do not ask me a question.

Mr. STEAGALL. I want to ask the gentleman a question. If there was a law ever passed by the Congress to guarantee farmers a parity price, I would like to find it.

Mr. BARRY. They guarantee 85 percent of the parity price.

Mr. STEAGALL. No.

Mr. BARRY. And they guarantee a support price right now.

Mr. STEAGALL. No; but the gentleman said parity. We went along here for years with farmers by the thousands thrown into bankruptcy. Agriculture became a national problem. We knew the dangers of those days, we were alarmed, and as a relief measure we passed an act providing for loans up to a certain percent of parity. The farmers of my own section of the country got only 60 percent of parity for years on those loans.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not true that with all of the laws we have passed up to date to aid the farmer he is still not guaranteed the cost of production of the products he produces?

Mr. STEAGALL. Not only is he not guaranteed the cost but they refuse to obey a law which provides that increases in prices shall be made to cover cost of production. That is in the second Price Control Act. We put some things in that bill, you know, as we went along in the interest of agriculture. We had to do it by sleight of hand or with a sledge hammer, but we were not asleep all the time! Let me show you what we wrote into that law. This law, which saved the country from the destructive effects of the 110-percent parity provision of the first act by conferring further blanket

authority under which the general price level has been permitted to rise to nearly 120 percent of parity:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

Let somebody tell me when that law has been obeyed or when the slightest attention has been paid to it, and it is as plain as language can make it.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman for a question.

Mr. MARCANTONIO. The gentleman mentioned the Little Steel formula in his talk. I should like to get the gentleman's position on this. Does the gentleman believe in the retention of the Little Steel formula and at the same time permitting unbridled spiraling of prices? We have to face that condition today or tomorrow. Let us have the gentleman's position on it.

Mr. STEAGALL. I do not yield to the gentleman to make a speech. I hope he may make one, but not now. Of course, all this will be fully discussed before we get through. I shall put some more pertinent figures in the RECORD so that Members may have an opportunity to answer them before we vote on this bill.

Let me say something to our farmer friends in this House, and I speak especially for my own section of the country. I do not believe there is anybody in this House who knows me who thinks there is any sectionalism or bitterness in my soul. I do not believe those who know me credit me with selfish partisan purposes in my views respecting this or any other economic legislation.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. STEAGALL. I shall take 5 minutes more. I am speaking more particularly of the people of the section of the country with whom I am best acquainted. I do not say this in bitterness, but we have been penalized by Government subsidies to railroads which did not carry by railroad rate discrimination any of the benefits to our people. The same is true of tariff, of patent beneficiaries and other things that siphoned away from our people and which, if retained and utilized under the leadership which our section has always afforded would make our section the garden spot of this land. For

many years we contributed our part for the support of the surviving soldiers of the North. We did it cheerfully. We did it when we were not able to do any decent measure of justice to the glorious heroes of the Confederacy. We were required to pay, but we did not participate in the benefits. These things contribute some of the reasons why our land down yonder—blessed as it was of God, and no man will deny that we have had able and worthy leadership in all the years of our history—has been called the Nation's economic problem No. 1. I ask Members here what benefit our people will get from food subsidies paid out of the Treasury of the United States and that, too, at a time when the Government needs the support of every citizen as never before since our flag was first lifted in triumph on the shores of this Western World, and when the citizen has the least need for Government largess.

What benefits are our people going to receive? We are going to be required to pay out of our taxes our proportionate part of this subsidy program that will end, only God knows where. Talk about a little bit of inflation being hard to stop. Let a man get his hand into the Treasury of the United States and don't ask me to find a way to get it out. Our people and it is true with the farmers of the Nation, have been laboring under hardships, and unjust burdens, and discriminations, for more than half a century. They have been forced, in violation of sound economic laws, to abandon the production of things the world needs, which we are best adapted to produce and have been compelled to return to primitive methods and to produce our own food and live at home. What good is a food subsidy going to do to the farmers of Sand Mountain in Alabama? What good will it do to the farmers of Georgia who are forced to raise their own food? We are going to be taxed again to pay the bill but we will not be allowed to participate in the benefits.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 30 minutes. I do not think there has ever been a more fundamental question before the Congress since the War between the States than this question, the so-called question of subsidies. It presents a fundamental problem which must be solved by the Congress as representatives of patriotic American people. I think the basic problem before this Congress in connection with the subsidization of consumer prices is the perpetuity of the American form of Government.

The fundamental objection to consumer subsidies is that they socialize agriculture. Now, that is a theme which has been discussed in connection with this bill by some who are really and sincerely concerned about the trend in this country toward socialism. I merely make that opening statement so that as I talk along here, rambling, as I probably will, you may have in mind that behind my remarks there is a full realization that unless we solve this problem correctly we can expect, perhaps, a so-

cialization of agriculture. I think anyone will agree that would be more or less disastrous and might result in the destruction of the American form of Government.

I have been burdened with my thoughts about this bill, and I do not think there is any Member of Congress but who has given a great deal of study to it, and I know so far as we, who oppose consumer subsidies are concerned, there is no ill feeling. I wish it were just an academic question which we are discussing, so that we really could get "het up" about it without doing the country any harm. But we do not charge that when a proponent of consumer subsidies makes an exaggerated statement he is less patriotic than we; that he is less sincere; that he is more partisan. In the discussion of this bill in the committee in May, in June, and in the debates on the floor in July, in the discussions of the committee in respect to this particular bill over the radio and in these Halls, there has been a minimum of politics injected into this measure. I want to assure you, Mr. Chairman, that this is too big a question to be discussed in the light of partisan politics. It is too important a problem to be solved along partisan lines. There must be unanimity of purpose in this committee today, and tomorrow, and until we dispose of this question if we are to perpetuate the American form of government.

Why are we opposed to the payment of consumer subsidies? Is it from selfish motives? The argument has been made here repeatedly, the farmer gets no more and no less. He gets no more and no less whether we adopt this bill or not. I do not see how those who are in favor of subsidies can argue that way and then argue that those of us who oppose subsidies are selfish and partisan, and that there are political questions involved. It just so happens that there are many farmers and many working people, many professional people, and many business people, on both sides of this question, just as there are many Republicans and many Democrats on both sides of the question. I hope that from now on in these discussions no attempt will be made to label this a political bill, but one in which each individual Member of the Congress exercises his own judgment in the manner in which he does his duty under his oath, under his promise to his constituency, to preserve, protect, and defend the American way of life. Those are broad charges, I am sure, and should be justified. Now, the reason why, I presume, the farmer is opposed to the payment of subsidies, that is, consumer subsidies, is because it is the first step to regimentation and control, the first step, which eventuates in that farmer finding himself under the yoke of bureaucracy where free enterprise on the farm is destroyed, where the Government, through its several bureaus, tells the farmer when and what to sow, when and how much he shall reap; tells the processor what he shall process and how he shall process it; and tells the distributor how, where, and when, and to whom, he shall distribute the products of our farms.

In other words, consumer subsidies begot control and encourage an expansion of the program. What have we seen in the last few months? We started out very moderately to roll back the prices of butter and meat. The charge was made at that time, if you will recall, the most exaggerated claim, that because the price of butter and meat had been rolled back a few cents, the price of living had been rolled back 10 percent. That is where the trouble started in respect to this question, the exaggerated claims of those who would pay roll-back subsidies to cover up the mistakes of administration, and the making of exaggerated statements that, because they had rolled back the price of butter 5 cents a pound and the price of meat less than 3 cents a pound, they had ipso facto rolled back the price of living 10 percent. Anybody who was not a fit inmate for a lunacy asylum could have seen there was something more behind the payment of consumer subsidies than an endeavor to hold any line which had been established. Behind it is the lust for power.

Subsidies beget subsidies, and if we encourage the expansion of the present program and if we do not stop the program where it is, what have they told you is going to be the next step? It is going to be, first, the purchase of the entire citrus fruit crop. Then the purchase of the entire bean crop. Then the ultimate control from producer to consumer, of all dairy products, and finally the control of the production, processing, and distribution of all foodstuffs.

Mr. Chairman, in August I came to Washington to see what was going on. We had been told in conference when the other bill was before us that there would be no expansion of the roll-back subsidy program. I found when I arrived here that they were not going to have any more roll-backs as such, but that it was their purpose, and plans had already been made, to buy the entire crop of several agricultural products at a so-called support price, and sell it back to the consuming public for a parity price or ceiling price. Of course, that would have been as effectual a way to roll back prices, as to do it directly. That was the payment of a consumer subsidy by subterfuge. While one of the departments of the Government was denying to me that that was their program, they were advising my bean men that same day they were to be the agencies through which the entire bean crop of the United States would be bought at the so-called support price and sold back to the consuming public at a lower price.

So in this bill we have provided against the consumer subsidies by subterfuge, and we have provided that all of these support price programs and subsidy programs shall stop as of December 31 of this year.

Now, it has been said on this floor repeatedly by those who have read no further, or perhaps reading further found language which did not support their views, that we were destroying the support price program and we were destroying the loan program. Then if they were fair enough to have told you the facts about it, they would have called your at-

tention to the fact that in that same paragraph, after we have stopped the existing programs, so that they could not pay subsidies by subterfuge, so that they could not effectuate consumer subsidies by manipulation of the support-price program, they would have told you that there is a directive, a mandate in this bill to continue to support prices; to continue to make loans under and in accordance with the terms and conditions of the law.

Therefore, in the discussion of this bill, in the solution of this problem, we have got to distinguish and have clearly in mind the distinction between producer subsidies, which are not interfered with in this bill, nothing to the contrary notwithstanding, and consumer subsidies, which we prohibit.

Mr. BARRY. Mr. Chairman, will the gentleman yield at that particular point?

Mr. WOLCOTT. No, not now.

Mr. BARRY. For a short question?

Mr. WOLCOTT. I would rather go on a little further. I know what the gentleman is going to ask.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield for information at that point?

Mr. WOLCOTT. I would prefer not to yield right now.

If members of the committee will refer to the report on page 5, I will read you some language to substantiate that.

The courts, in interpreting law, interpreting the legislative intent, always consider the committee report. For that reason, the committee report has made it very clear that it is not intended to in any manner interfere with existing law whereby support prices may be announced and loans may be made to support the floor under agricultural commodities.

About half way down in the discussion of section 3, the majority report says:

Therefore this section prohibits new consumer-subsidy programs from being announced and prohibits payments on existing consumer-subsidy programs subsequent to December 31, 1943.

You will note the term "consumer subsidies" is always used to differentiate between producer subsidies.

Then the report goes on to say:

This section does not prohibit nor interfere with any operation of the Commodity Credit Corporation or any other agency of the Government with respect to producer subsidies or loans authorized under existing law, including the Emergency Price Control Act of 1942 as amended and supplemented by Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and it does not prohibit or interfere with support prices or the use of Commodity Credit funds made available to the Commodity Credit Corporation by existing law, including section 4 of Public Law 147, approved July 1, 1941, as amended.

Now, let us be fair about this situation. Although we direct the War Food Administrator, the Department of Agriculture, or whoever happens to be administering this particular part of the law, the Commodity Credit Corporation, to continue to support prices and to continue to maintain floors in accordance with the so-called Steagall amendment to the Commodity Credit Corporation

Act, we do say that if it is necessary to put a support price above a parity price for the purpose of encouraging the maximum amount of production so that we will have adequate food, then and then only will the price have to be increased to absorb that particular price, because the law expressly says that the President or the Administrator of O. P. A. may set a ceiling on any agricultural commodity at parity. So he cannot set a price less than parity. We say that the price must be increased if the support price is above parity so they will no longer be able to manipulate the support price program to effectuate consumer prices and therefore we assure the farmer, we assure the producer or the processor or wherever the additional expense may be that he is to get the benefit of the support price as we really intended he should for the purpose of encouraging him to increase the production of his product. In other words we make sure that if a support price is put on a product to encourage production it is going to have its effect, the farmer is going to get it, because it was for the farmer that it was put up; it was not for the consumer.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I prefer not to yield just now.

Mr. Chairman, the payment of consumer subsidies begets subsidies. If we must adopt a new philosophy of government whereby the Treasury of the United States must pay the food bill of any part or of all of our population—I will put it that way—why do they stop there?

Mr. FORD. Mr. Chairman, will the gentleman yield at that point?

Mr. WOLCOTT. Not at that point. I will advise the gentleman when I care to yield.

Mr. Chairman, the price of clothing is going up. Have I not as much right to have a subsidy on a suit of clothes that I buy as I have on the food I eat? It is an element of the cost of living. If we succumb, if we do not answer strongly this threat to inflation by certain so-called leaders, then we must assume that if we bend the knee to them now in this particular bill, in a month or 2 months they will want a subsidy on rent; they will want a subsidy on clothing; they will want a subsidy on shoes; they will want a subsidy on luxuries; they will want a subsidy on all of the things which, in their opinion, are necessities of life; otherwise they are going to continue to hold a bludgeon over this Congress and say:

"If you do not pay our bills for us then we are going to strike, we are going to tie up the production of war machinery, we are going to stop this war for you if you do not pay our grocery bill, if you do not pay part of our cost of living"—and this, my friends, when according to the Bureau of Agricultural Economics of the United States Department of Agriculture the total cost to consumers of fixed quantities of food making up the typical consumer food basket was smaller in relation to average consumer income in recent months than at any other time on record. If

the people of the United States cannot afford to pay the cost of living at the present time with family income higher than it ever has been in the history of this Nation when in God's name can they do it? Are you going to continue this policy following this war? Adopt it today and you will continue it as a permanent philosophy of Federal Government for generations and maybe centuries to come to the prejudice of the American standard of living.

Is it inflationary? First, let me say again that consumer subsidies beget consumer subsidies. A little of it is splendid, you will like it, you will love it, you will save yourself 5 cents a pound on butter. "Ha! ha! The Government is going to pay 5 cents of my butter bill. That is splendid! That is easy money! So why should we not continue this? Why should we not expand it? Why should not the Government pay a little of my meat bill? Fine! Why should not the Government pay my bread bill? Why should not the Government pay my bean bill? Why should it not pay my milk bill, my cheese bill, my shoe bill, my rent bill, my clothing bill?"

The President can say that inflation is like a drug—you get a little dose of it and you want another. I do not know, but I have been told that that is the way it operates. It seems to me that if there is a greater danger in the country today of the drugging of the population who are gullible enough to think they are getting something for nothing, greater than in the drug which the President called inflation, it is in subsidies. Let me repeat my question: Is the payment of consumer subsidies inflationary? Will they increase the national debt? To begin with, if you subsidize the consumer's grocery bill or his clothing bill by two billions you compel him to pay—collectively, of course—back into the Federal Treasury over four billions.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 additional minutes.

Mr. WOLCOTT. We are all in agreement on that. The gentleman from Texas [Mr. PATMAN], who, although he has made some very much exaggerated statements on this question, seems to be in perfect accord with us on the proposition that every time we raise the national debt a billion dollars we have to pay it over several times. I will repeat what he said about that yesterday. He said:

In the first place, if we pay a dollar now, that is equivalent to saving two or three dollars in the future—

I say only an additional dollar; he says three; I do not know; it is somewhere in between—

because, if you have to borrow that dollar, and you pay interest on the dollar, the interest on a long-time bond, the history is that by the time you pay back the dollar on that bond you will have to pay two or three times the amount of it in interest, in addition to the \$1 that was borrowed. So that for every dollar we pay now we save these returning

soldier boys, if you please, the obligation of not only paying the \$1 but of paying two or three times the amount of it in interest.

Well, our worthy colleague has done himself proud. He has advanced his philosophy of this bill courageously if not intelligently. If we pay \$2,000,000,000 in subsidies today these same boys that he refers to coming back from the front—and I did not intend to mention this until he did yesterday, we did not want to bring the soldiers and sailors into this—will have to pay it. We will refer to my boy. He is not old enough to go to war. For every dollar the Government pays of my grocery bill today, my boy has got to pay \$2. For every 5 cents that we save on butter today he and his generation has got to pay 10 cents.

O Mr. Chairman, let me tell you, there is a moral question involved here. Where is the American with blood so thin, may I say so yellow, that he would pass on to posterity, that he would pass on to his sons and daughters, that he would pass on to the men fighting our battles—and I use that only because it was used yesterday—the payment of any part of the grocery bill for the food which you and I are eating today; at a time when the national income and the family income is higher than at any time in the history of the United States? I do not want to hang my head in shame 10 or 15 years from now when my boy might come to me and say: "Dad, these taxes are high. These taxes are high because you did not pay your grocery bill back in 1943. I am paying your grocery bill today. That was a dirty trick you played on me, dad." I do not want my boy to be able to say that.

Are consumer subsidies inflationary? For every dollar you pay in consumer subsidies you increase the purchasing power of the individual by \$1 or the purchasing power of the Nation, any way you want to put it. When you increase the purchasing power of the Nation, you are pressing right up against that inflation ceiling.

What causes inflation? We all agree it is spending by the Government. The spending by Government today has caused the depreciation in the value of the currency which is reflected in higher prices and, remember this, which I say parenthetically, an increase in prices seldom if ever induces inflation. The increase in the prices is the result of inflation. Think that over. It is the result of the depreciation of the value of the currency by other causes which the gentleman from Alabama has so ably covered.

Do consumer subsidies cause inflation? Of course they do, and let me reiterate that we increase the volume of purchasing power at a time when there is a constantly decreasing availability of consumer goods.

Do consumer subsidies cause inflation? The worthy gentleman from North Carolina [Mr. DOUGHTON] and his committee have been working for years trying to solve the problem by siphoning off purchasing power so as to diminish the differential between the national income and the dollar value of consumer goods.

Anything which tends to widen that breach, anything which tends to enlarge the differential between the value of consumer goods, on the one hand, and the national income on the other, makes further taxes necessary. So you see, you get right back to the point that if you get the subsidy to pay your grocery bill you have got to be taxed for that money.

You are going to hear a great deal during these debates about individual income, about the relatively fixed incomes of the white-collar workers and Government workers, as well as the annuitants, the pensioners, and so forth. There are undoubtedly some of those who will continue to need some help, which is always a problem of Government. I want you, the members of the committee, to just sit down when you have the time, when it is quiet, and think of your friends, your neighbors, your acquaintances, not as individuals but as families and see how many of the families within your acquaintanceship have not had their family income materially increased during this period of war and war expenditures.

Let me cite you what I consider a typical example of a typical American family. I have in mind a man with a family. He has four children. He has the same income today that he had last year. It is not material what the amount is, but he has the same income today that he had last year. Last year at this time he was supporting himself, his wife, and four children. Today, on that same income, he is supporting himself, his wife, and two small boys. One of his boys is in the service, sending money home to dad, for which dad is buying bonds and laying them aside for the boy when he comes home. One other, a girl, has a position down here in the War Department. She is keeping herself. Has not the purchasing power of that man been increased materially? Has not the family income been increased materially? His individual income has a purchasing power today greater by 35 percent than it had last year, and the entire family income has been increased by two of the family being in position to get some return for their employment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, think about that and determine for yourself how many families have not had an increase in family income during the last 2 or 3 years.

I want to get to a statement made by Chester Bowles, Administrator of the O. P. A. Mr. Bowles in a statement night before last, as he is quoted in the press, says that if we do not authorize the payment of \$800,000,000 the cost of living is going up \$8,000,000,000. I have been with this subject for the last 2 years and I do not think heretofore anybody has ever made quite such a fantastic claim and I cannot conceive of my good friend, Chester Bowles, on his own initiative, on his own responsibility, without somebody having suggested that he should do it because this bill was coming up, making any such absurd statement as that. Needless to say, it is not borne

out by any facts. Let us say that instead of increasing the cost of living by \$8,000,000,000 it will increase the taxes according to my friend, Mr. PATMAN's figure, up to \$2,400,000,000.

Mr. Chairman, I want to read a statement which I made when this bill was reported out and when the intent of the committee was fresh in my mind.

The action of the Banking and Currency Committee in reporting a bill which will prevent the payment of consumer subsidies is a decided victory for the majority faction in Congress who are opposed to the socialization of agriculture. The basic problem before Congress in connection with the subsidization of consumer prices is the perpetuation of the American form of government. The fundamental objection to consumer subsidies is that they socialize agriculture. The Congress, as representative of American patriotic thought, must exercise its constitutional prerogative to stop this trend toward socialization.

The bill continues the life of the Commodity Credit Corporation to June 30, 1945, or to such earlier date as may be fixed by the President by Executive order. It does not provide for any additional funds. The committee felt that if the Commodity Credit Corporation was to be prohibited from paying consumer subsidies, their present borrowing and loaning capacity of \$3,000,000,000 was sufficient. It will be recalled that they were given an additional \$350,000,000 in July, bringing their total borrowing and loaning capacity to an even \$3,000,000,000.

The bill prohibits funds of the Commodity Credit Corporation or any other governmental agency from being used to make subsidy payments or to pay or absorb losses on agricultural commodities to reduce or maintain or in lieu of increasing maximum prices, except that the Commodity Credit Corporation may sell at a loss perishable fruits and vegetables owned and controlled by it, the increased production of which has been requested by the War Food Administrator if there is danger of substantial loss through deterioration by spoilage.

We made it very clear in that language that the deterioration should not be in value but in quality by qualifying the word "deterioration" by the words "by spoilage." In short, it prevents the payment of consumer subsidies but preserves the policy of paying producer subsidies for the purpose of obtaining the maximum amount of essential foods.

The bill authorizes the continuation of any subsidy program initiated previous to October 13 but provides that these subsidies cannot be paid after December 31, 1943. In accordance with this provision the present subsidies on butter and meat would stop on December 31, 1943, but the milk subsidy in all probability would be continued if this subsidy is reflected back to the producer and is necessary to obtain a maximum amount of production.

The bill gives the assurance that the producer of foods will obtain the benefit of any support prices, and support prices cannot be manipulated to defeat their

purpose by being used to effectuate consumer subsidies. The bill is an anti-inflation bill, nothing to the contrary notwithstanding. It is a forward step not only to preserve the American form of government but to prevent inflation; it prevents a widening of the gap between national income and the dollar value of consumer goods, thereby obviating the necessity of increasing taxes by at least \$2,000,000,000. It siphons off purchasing power at the source, thereby relieving the pressure on the inflation ceiling; it prevents our sons and daughters and the members of our armed forces after they have returned from the battle fronts from having to pay tomorrow a part of our grocery bill for the food which we are eating today.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. BARRY. I am having some difficulty following the gentleman's attempt to distinguish between consumer subsidies and producer subsidies, because before the war broke out there was no shortage of food. My question is, does the gentleman contend that subsidy payments under the Triple-A Act and the Soil Conservation Act which were made to the farmers to keep them from producing were producer subsidies?

Mr. WOLCOTT. I think payments made under the Agricultural Adjustment Act and the Commodity Credit Corporation Act to encourage them to expand production were the subsidies I mean in respect to producer subsidies. I think the question may be answered in this way. If the subsidy is primarily for the purpose of establishing a maximum price or maintaining a maximum price or in lieu of increasing the maximum price, then it comes within the prohibitions of this act. I think that kind of subsidy is a consumer subsidy.

Mr. BARRY. That form of subsidy is to maintain purchasing power, to maintain the price, just as this proposition is to give the consumer purchasing power. There was never any shortage in any farm commodity before the war broke out.

Mr. WOLCOTT. We had a surplus before.

Mr. BARRY. Why did you need producer subsidies? There is no difference between a consumer subsidy and a producer subsidy.

Mr. WOLCOTT. I think the gentleman from months of very attentive consideration to the subject in the committee knows what we mean by a consumer subsidy and a producer subsidy.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The payments made under soil conservation and parity payments were made to keep production down, restricting acreage. It was a program of scarcity. That program is now out the window. 1944 will be the first time that we shall have free production and full production in the United States. Under the program of scarcity, farmers were penalized and as-

sessed heavy penalties if they produced more than they were allowed to produce under the triple A program.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Montana.

Mr. O'CONNOR. I should like to have the gentleman's opinion on this question. Can a subsidy, even a producer subsidy, be handed to the producer or handed on to the producer, giving him the benefit of it, unless we establish a floor price in company with the subsidy? In other words, do we not have to have a floor price before we can pass on a subsidy, regardless of to whom it is supposed to be paid?

Mr. WOLCOTT. Yes, and the only subsidies in which we are interested in that respect are those subsidies which are payable when support prices are above parity. We have said in the O. P. A. Act that no maximum prices shall be established below parity. So the only ones in which we are interested are those relatively few cases where the floor prices are above parity prices, and they are all listed in the hearings.

Mr. O'CONNOR. My question is, Does the subsidy pass to the producer unless we have a floor price? Is there any assurance that he is going to get it unless we have a floor price?

Mr. WOLCOTT. You have the floor price underneath them anyway. You always have the floor on all these commodities. As a matter of fact, the support price is a floor.

Mr. O'CONNOR. But we do not have any floor price; we have support prices but no floor prices.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman asked a question of every Member of the House. He said, "Look around and see if there are any families whose incomes have not been increased." I think the gentleman is unaware of the hundreds of thousands of white-collar workers, and is also unaware of the hundreds of thousands of pensioners, policemen, firemen, and other civil-service employees who have not had an increase in income. Without debating the general proposition at this time with the gentleman, I say that the increase in the cost of living has brought about a reduction in income on the part of practically every consuming family in the United States.

Mr. WOLCOTT. Did the gentleman vote for the Price Control Act?

Mr. MARCANTONIO. I did.

Mr. WOLCOTT. Let me call the gentleman's attention to that fact, that you wrote a mandate into the Price Control Act to raise the prices. Do you know that?

Mr. MARCANTONIO. I disagree with the gentleman on that.

Mr. WOLCOTT. Oh, you do?

Mr. MARCANTONIO. Will the gentleman read that section?

Mr. WOLCOTT. Yes, I am going to.

On October 2 we directed the President to stabilize, as far as practicable, on the September 15 level, and we set up certain standards in respect to agricultural prices. Then on page 2, in a proviso which was not hidden, by any means, we provided:

That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs.

When you set, as the Administrator did, a price on canned goods, and then the labor costs in the processing industry were increased, thereby increasing the cost of producing those canned goods, there was a distinct mandate to the Price Administrator to raise the price. The gentleman voted for it, as we all did. We have mandated the Office of Price Administration to do exactly what some of you are objecting that they do today. You would have to virtually repeal existing law if you were to do otherwise.

Let me go a little further with this:

Provided further, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing.

You voted for that and you did not quibble at all about it. You said, "He cannot put a price less than is necessary to get the maximum amount of production." That is all we say in this bill. That is everything we say. All we do is to reiterate the policy established in the Price Control Act and make them do what we told them to do on October 2.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. MURRAY of Wisconsin. Another concrete example is when the Secretary of Agriculture at a time when hogs were at 11 cents, putting a floor of \$13.75, Chicago, or between 110 or 115 percent of parity, at the time, and he was following that particular part of the law, and the reason he gave for doing so was to increase the production of pork in connection with the war.

Mr. WOLCOTT. What we want to do is to straighten out some of these bureaus and tell them that Congress is not going to stand for their constantly flouting the clear intent of the Congress as expressed in the law under which they are operating.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. SUMNERS of Texas. As I understand the statement of the gentleman this money that it is proposed to supply is simply to pay a part of the price of

the food which is consumed by us. Is that right?

Mr. WOLCOTT. Or try to prevent the use of money for that purpose.

Mr. Chairman, I will take 2 minutes more.

Mr. SUMNERS of Texas. Now, then, the Government has not got any money, has it?

Mr. WOLCOTT. It has to raise it through Congress by imposing taxes or selling bonds.

Mr. SUMNERS of Texas. And the Government has not got a cent, it is nearly busted now. When a man goes out to the store to buy groceries, is it not proposed now, in effect, that the Government will pay a part of that grocery bill?

Mr. WOLCOTT. The gentleman is correct.

Mr. SUMNERS of Texas. Is not that what is proposed to be done, if you have this subsidy?

Mr. WOLCOTT. If you defeat this bill, that is what you will do.

Mr. SUMNERS of Texas. But my question is a matter of yes or no.

Mr. WOLCOTT. Yes what?

Mr. SUMNERS of Texas. Yes, that it is proposed to have the Government pay a part of the current grocery bills of everybody.

Mr. WOLCOTT. The Government is proposing today to pay a part of it.

Mr. SUMNERS of Texas. I know that. I am not trying to argue with the gentleman. The Government has not got any money, the Government is broke and here we are, grown men, and we do not propose to pay for what we eat. Who is going to pay that, if the boys who are on the fighting front now and their kids do not pay it?

Mr. WOLCOTT. I cannot answer that. It has to be paid.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Oh, the gentleman from Michigan yielded to me. I do not yield.

Mr. WOLCOTT. I am through.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BARRY. The Government paid the farmer part of his grocery bill, and we are asking the same thing now for the consumer.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, I appreciate the spirit with which the House is confronting the decision of this question. I have heard a good deal of talk about inflation. As I understand it inflation comes about when many people with plenty of money to buy, try to buy more than there is to sell. I am sorry to "bust" in on a lot of big speeches, but that is about what it is. As I understand this contribution that we are trying to stop, or the contribution going on now, it is that the Government is paying a part of the grocery bill of the people who buy food. That is it. Now, then, the Government has not got any money. Everybody knows that. Well, who is going to pay it? Are you going to pay it? If we are, why do we not pay it when we

get the groceries? There are just two people who can pay it, and they are the folks who are eating the grub, the ones getting the food—or somebody else whom we are delegating to pay our bills for our food—is that not right?

Mr. ANGELL. That is right.

Mr. SUMNERS of Texas. If we would pay that grocery bill when we get there, we would pay it out of our own money. It is not just a few people mooching off of future generations to pay our current eating bills but it is proposed that everybody get in on this while the getting is good. Our young men are fighting for us while we are at home, safe from danger. There is nothing they can do about it. They cannot help themselves. If we put this food bill into bonds those bonds will bear interest. The people who are sitting here in this Chamber are not going to pay them or any part of them, but we are going to eat the food. These soldiers when they come home will find we signed their names to the bill. It will be a bill for our current eating expenses while they were away fighting for us. Is not that a pretty picture for grown people in America to put themselves in? Here we are, grown people in America, and our boys are fighting on the far-flung battlefields of the world, and we have not got sense enough to arrange some sort of a way whereby we can pay our own grocery bill.

If these white-collar fellows need more money, let them get it—help them to get it. They are entitled to more. All these big words and long speeches—it is just a question of whether we will pay our grocery bills or write them into the books and leave them for somebody else to pay. That somebody else is the generation following us in responsibility. The generation which makes up the body of our brave fighting men and the women of comparable age and their children now and to be. It is not only proposed that we saddle off our grocery bill on them, but that grocery bill will bear interest until they can find the money to pay it. Do we not suppose they are going to have to eat? If we cannot pay our own current grocery bill, how do we expect them to pay theirs and ours, too, plus accumulated interest and plus the salaries and cost and interest on the salaries and cost of the necessary addition to the present army of planners and supervisors and interferers with and messers up that have been drawn from the manpower of the country to harass and bedevil the people still engaged in productive effort. I only have 5 minutes and cannot discuss the even more important thing—the far-reaching effect upon the independence of the business of agriculture and the independence of the farmer which would result from this subsidy policy.

Mr. BARRY. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BARRY. Will the gentleman tell me the fundamental difference between the Treasury subsidizing farmers and the Treasury subsidizing consumers?

Mr. SUMNERS of Texas. I do not want to get too far away, but I want to

get to the fundamental question between you paying your own grocery bill and making your grandchildren or somebody else's grandchildren pay for it, plus the interest on the debt.

Mr. BARRY. Was not that same test applied to the farmer?

Mr. SUMNERS of Texas. Maybe so.

Mr. BARRY. Was not that same test applied to the farmer in subsidizing the farmer?

Mr. SUMNERS of Texas. Maybe so.

Mr. BARRY. A good many of the men who are opposed to this bill voted for that.

Mr. SUMNERS of Texas. Maybe they did so. Maybe they did so very foolishly or wisely. What has that got to do with the present responsibility?

Mr. MARCANTONIO. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. MARCANTONIO. With all due respect to the distinguished gentleman from Texas, the statement about whether or not we should pay our grocery bill or whether our grandchildren should, sounds very, very good.

Mr. SUMNERS of Texas. It is good.

Mr. MARCANTONIO. But the gentleman fails to realize that if we do go into an unbridled spiraling economy, our grandchildren will not have anything with which to pay.

Mr. SUMNERS of Texas. Well, we had better set a good example of paying our own grocery bills as we go along.

Mr. MARCANTONIO. Will the gentleman tell us how he proposes to do that?

Mr. BROWN of Georgia. I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

SUBSIDIES ONLY ALTERNATIVE FOR HIGHER COST OF LIVING AND INFLATION

Mr. PATMAN. Mr. Chairman, we have had more than 2 hours in opposition to what some of us stand for in the House and I would like to have just a few minutes to present this from the angle of those who are opposed to section 3. There is no personal difference between us in this fight on this proposal at all. There is a difference of opinion and we have different views.

As evidence of the fact that a lot of Members have not studied this proposal and do not thoroughly understand it, I cite as exhibit A, my good friend the gentleman from Texas, the Honorable HATTON W. SUMNERS, who has often been pointed to as the sage of the House. Now, he is a wise man. He is one of the wisest men I know and whenever a wise man like Judge SUMNERS will go off on the angle that he did, I know there is bound to be a lot of misunderstanding and confusion in this House. I want to show you how fallacious that argument is, if you will pardon me. I apologize for differing with you, Judge SUMNERS, because I know you are usually right and I am usually wrong. But in this particular case maybe I have studied it from more angles than you have studied it. The gentleman from Michigan [Mr. Wolcott] in his talk yesterday—I have talked too much on this,

I know that, I have spent entirely too much time—but every time I have made a speech I have made this statement, which I made yesterday:

And again I challenge any Member of this body to get up, and I will yield to him, who will offer any plan that will keep down the cost of living and encourage production and not increase prices without the use of subsidies. Can you name it? Of course, you can not.

The gentleman from Michigan [Mr. Wolcott] said:

I would not want the gentleman to yield sufficient time for me to answer on that particular question, but if the gentleman and the rest of the House will listen attentively during the debates on this bill, I will answer it.

That is what he said yesterday. I listened most attentively here today and he did not answer it. I want to say there is no Member of this House who can answer it. Nobody can answer it. You have either got to increase prices or take it out of the hide of the farmers—which would discourage production—or pay a subsidy. There is no other way around it at all. And I have often made that challenge and nobody has accepted it.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. I cannot yield, because my time is too limited and I hope the gentleman will not insist upon it.

Let me give you an example on canned goods that the gentleman was talking about. Suppose we raise the prices of canned goods all over the United States to take care of high-cost producers. I happen to know something about that. The gentleman read the law there where we were supposed to raise all prices, and this particular bill will force it—absolutely force it. The canneries, a lot of them, say around Baltimore and around Cleveland and a lot of places where they have a high cost of production, produce a large part of the canned goods, at least a substantial part. They cannot produce at the prices that are paid, the maximum prices. They would have to go out of business. Which is better, to allow them a 10 percent or 20 percent increase to take care of them to keep them in business and in production, or to raise prices all over the Nation? That is the question.

In other words, is it better to go into debt \$1 than it is \$5 or \$30? Why, there is only one answer to it. Of course, it is better to go in debt \$1 than \$5 or \$30. I will offer you an example, just a little bit of an example, that has the same principle involved in it, on copper. We needed more copper. The big companies were producing all they could at 12 cents a pound. If you paid them 40 cents they could not produce any more. So we wanted to get these high-cost mines in production. Which was better to do, increase all copper to 25 cents or 30 cents a pound or just give the high-cost producer the extra amount in the form of a subsidy? The answer is it was better to give those high-cost mines a subsidy of 5 or 25 or 30 cents a pound. The result was that we increased the total copper production 10 percent. It was very

helpful. We are almost out of the woods on copper, and we were out between \$30,000,000 and \$50,000,000 on that. We had to borrow that money, we will say. Yes; we borrowed it. Our children and grandchildren will pay it back. But which is better, to pass on a debt of \$30,000,000 to our grandchildren or somebody else to pay, or pass on a debt of \$1,000,000,000 which it would have cost us without a subsidy?

The answer is obvious. Of course, it is better to pass on the smaller amount. So it is not just as simple as many have suggested here. And as in the case of copper, so in the case of canned goods, and I could name you a dozen other things that will operate in the same way. Sometimes we have to take something bad in order to keep from taking something much worse. So I do not care if you are against subsidies. Is it not better to pay a \$10,000,000 subsidy on canned goods in the distressed areas than it is to pay \$100,000,000 in increased prices? Now, remember this, that the Government is buying half of what we produce that is subsidized, more than that in most things, in copper especially. If we were to increase the prices of all copper it would have cost us \$1,000,000,000 more. The Government would have to pay more than half of that because they bought more than half of it. So there is \$500,000,000 increase in that that we saved by being out about \$30,000,000 on a subsidy. Who can argue against that? I say now, I have made this challenge on the floor of this House day in and day out; nobody can answer. Nobody can answer it. You will either use subsidies or you will increase the cost of living, or you will retard production. And saying it another way, there is only one way to encourage production and keep down the cost of living and that is through the use of subsidies.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. I do not yield at this time.

Mr. O'CONNOR. You made the challenge.

Mr. PATMAN. I know, but I have done it day in and day out. I am not going to take my 20 minutes now to yield to anyone to answer it. The gentleman from Michigan [Mr. WOLCOTT] offered to answer it yesterday. He said he was going to answer it today but he did not, because there is no answer to it. Nobody can answer it.

Mr. O'CONNOR. If the gentleman will help me to get some time, I will answer it.

Mr. PATMAN. All right. They would like to have it answered on the Republican side, because they want to know what that answer is. If the gentleman has got an answer he will be making a great contribution to the Republicans.

So, what about these subsidies? Why has the word "subsidy" become so obnoxious? Are we not paying a part of the rent bill down at Dallas, Tex.? Certainly we are. All these rents around the defense plants are subsidies as well as some social living quarters. We could not get people to go to Dallas. As delightful a place as that is to live, one of

the finest cities in the Nation, we could not get them to go there and pay the rent they would have to pay if they paid an economic rent. Therefore, the Government has built houses and made it possible for those people to pay \$20 rent when \$50 would be an economic rent. You are subsidizing them to the extent of \$30 a month. That is going on all over the country. Is that so bad? No. That is the way it should be. You must have production and you must have people to do the work, and you cannot have them unless you give them a decent place to live. So, it is all right. So that is paying a part of the rent bill.

In New England we had to get them fuel. They could not get the fuel by water because of the submarine menace, and we had to ship it by rail. That greatly increased their cost. Was it right for them to pay that increased cost? They could not do it. It would absolutely cause a lot of families to suffer. So the Government subsidized the transportation cost to the New England fuel users. There is a case where we are paying a part of the fuel bill for a large segment of our population. If it is not so wrong to pay the fuel bill and the rent bill, and to pay tariff duties up to \$4,000,000,000 a year, which is a subsidy—if those things are not wrong, then is it wrong to save our people \$5 or \$25 or \$30 on every dollar that we have to borrow, or that we use as a subsidy payment?

I hope the Members of this House will study this proposition. In all seriousness and earnestness, I tell you that if you do, without reference to any political consideration, without reference to what will happen to you or to me in politics or anything else, but, solely with the desire to help the country in wartime, you will come to one conclusion and that is the conclusion that I have stated here day after day, that no one yet has been able to answer successfully.

I want to say to my friend from Michigan [Mr. WOLCOTT] if anybody could answer it, he could, because he is better informed on this legislation than any other one Member of Congress. When he said yesterday he was going to answer it today, I said, "I wonder what kind of answer that is going to be"; but he did not touch it, side, edge, nor bottom. The reason is evident, because there is no answer. It is just logical that there is no answer. How are you going to keep the price of living just like it is when the farmers cannot produce and sell at a price that will permit the cost of living to remain there unless you give a subsidy to make up for that difference? It is just as plain as the nose on your face. There is no other remedy. So when you vote for this bill you are voting to increase the cost of living and you are voting for inflation.

When did the word "subsidy" become so obnoxious? As I have often said, the tariff which is as old as the Government, is a subsidy. The railroads were subsidized. The merchant marine, the inland waterways were subsidized. The postal rates are a subsidy for newspapers and magazines up to almost \$100,000,000 a year. I am not opposed to it. I am in favor of it.

George Washington started it. George Washington was right. He said:

Let us disseminate knowledge and information by making it easy for people to get newspapers at a low rate.

George Washington was exactly right; and since that time we have subsidized the newspapers and magazines. Today a paper published in Dallas County or any other county can be deposited in the post office there and the publishers pay absolutely no postage at all for distribution through the mails in Dallas County or the county of publication. They can send out 5,000, or 10,000, or 100,000, or 1,000,000 copies, and they pay no postage whatsoever under that policy. It is the same way in every county in the United States. If they ship them outside of the county they pay such a low postage rate that the Government in the end loses almost a hundred million dollars every year on those low postage rates. Now there is a case where it is a fine thing—a subsidy is. Nobody opposes that; I think we all favor it. I am just giving that as an example of cases where there is no opposition to subsidies.

I would not be in favor of subsidizing everything; it would be absolutely wrong. There are certain things that it works on and there are certain things that it would not work on. The point I make is that Congress is in no position to determine which of these commodities they will use a subsidy on and which they will not use a subsidy on.

The committee bill is not against subsidies. If you will read the bill you will find down at the end that although the bill denounces subsidies and everything connected therewith, it states:

Provided, however, That none of the provisions of this act shall apply to domestic fats and oils and oilseeds.

In other words if you help pay anybody's butter bill with a subsidy, that is a subsidy, and very bad; but if they will buy margarine that is all right. You gentlemen over here on the Republican side, you say it is all right to subsidize oleomargarine; you are for it in this bill. It permits it, it specifically exempts—specifically exempts oleomargarine. You say that is all right, that is a good thing. Furthermore you say it is all right to subsidize Crisco, or anything else that is made from vegetable oils and fats and oil seeds, domestic. You say that is fine, the principle is not violated there, but if you want to subsidize butter, or hog lard, or something like that, why, it is bribery. It is bribery! It is wrong, somebody ought to go to the penitentiary for it. Do you not think it is just a little bit inconsistent? Why, of course it is very, very inconsistent. The fact is that subsidies are just as old as our Government. They have always been with us and will continue to be with us.

POST-WAR FARM PROGRAM

We can have no farm program that is lasting and permanent without subsidies, and this effort to get the farmers to go against subsidies is an effort to make the farmers fight their own interests. Why did we 10 years ago fight the group that is now so vigorously opposing subsidies to the farmers in this case, force the use

of subsidies for farmers? There was an excellent reason for that, Mr. Chairman, and I hope the Members study it. For a hundred years the farmers have been at a great disadvantage. They have been compelled to buy in a protected market, buy things over the high tariff wall that was built up to help infant industry and other industry in our country. When they want to sell what they had worked so hard to produce they had to sell it in the competitive markets of the world in competition with the cheapest forms of labor on earth. There was a distinct and decided disadvantage to the farmers of this Nation and for the first time in the history of our Government the Congress more than 10 years ago said: "We are going in a measure to remove that discrimination; we are going to give the farmers a subsidy to help make up for it; we are going to give them some money." Congress even went to the extent of setting aside a part of the actual tariff duties collected to give the farmers a part of that subsidy; yet here we are now trying to teach the farmers that it is wrong to have a subsidy, it is absolutely wrong. Do you know what we are doing if we succeed in doing that? We are leading them up a blind alley to destruction; we are leading them up a blind alley; that is what we are doing.

FARMERS PROTECTED IF THEY DO NOT GIVE IT UP

When this war is over and we have a permanent farm program can we have one without the use of subsidies? Of course we cannot and we have written into the Commodity Credit Corporation Act a provision that for 2 years after the declaration of peace the farmers of this country shall be guaranteed a loan value equal to 90 percent of parity. That will protect the farmers from what happened after the other war. This gives them adequate protection, it gives them a floor under their prices and protects them. All right; that is what they want. No other class or group in America has that protection; no, they do not have it. It is likely to last several years after the war. You will notice that law reads that it shall continue 2 years after the declaration of peace. It is always 2 or 3 years after a war ceases before there is an official declaration of peace, so we are safe in assuming that for 4 or 5 years after this war is over the farmers are going to be protected to the extent of 90-percent-parity loans. Now if you teach the farmers to oppose subsidies, to fight subsidies on the ground that they are wrong, the administration in power, if it happens to be our friends over here, I am afraid will laugh at them and say: "No, no; you fellows are against subsidies; you do not want them; we will have to repeal or not carry out that law." The subsidy will only be needed if prices go down and naturally they will go down after inflation; they always do. So this campaign to teach the farmers to fight subsidies is teaching them to fight their own good interests and best interests and, I repeat, destructive to them when this war is over. I hope that those who are attempting to do it will not succeed. The subsidy question is one that obviously I cannot answer in full in this

limited time, but I repeat in conclusion what I have often said. I do not want to take up all the time that has been allotted me. I want other members of the committee to use it.

ANOTHER CHALLENGE

Nobody can answer this question. It has been challenged here every day. The gentleman from Michigan [Mr. Wolcott] who has spoken, promised to answer it yesterday but did not answer it. There is only one reason for that. If there is any answer on earth the gentleman from Michigan [Mr. Wolcott] could give it because he knows all the answers available. The answer is, it is either high cost of living and inflation or the use of subsidies.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. Rolph].

Mr. PATMAN. Mr. Chairman, I hope the gentleman will not insist on that. They have had 2 hours here and we have only had 20 minutes. Why cannot our side go on?

Mr. CRAWFORD. Mr. Chairman, I do not like to have that in the RECORD because I was not trying to pull anything. The gentleman in charge of the time over there indicated to me I should yield some time.

Mr. BROWN of Georgia. What time has been consumed by either side?

The CHAIRMAN. The gentleman from Alabama [Mr. Steagall] has consumed 1 hour and 10 minutes and the gentleman from Michigan [Mr. Wolcott], has consumed 1 hour and 2 minutes.

Mr. BROWN of Georgia. Does the gentleman want to use some time?

Mr. CRAWFORD. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. Rolph].

Mr. PATMAN. May I plead with you gentlemen? You have used 2 hours and 12 minutes.

Mr. CRAWFORD. There are only 8 minutes' difference.

Mr. PATMAN. Cannot you give us an even break on the time?

Mr. BROWN of Georgia. Mr. Chairman, I expect to yield to the gentleman from New York [Mr. Celler] and to the other gentlemen time before we close this evening. I am giving the gentleman more time than he is entitled to, and I am doing it because he asked me to.

Mr. PATMAN. I object to that. I have used 20 minutes out of 2 hours.

Mr. BROWN of Georgia. I will yield the gentleman more time.

Mr. PATMAN. Then give it to the gentleman from Wisconsin [Mr. Dilweg] or somebody on my side.

Mr. BROWN of Georgia. I will give the gentleman all the time I think he is entitled to. He has no right to ask for all the time.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. ROLPH. I yield to the gentlemen from New York.

Mr. DICKSTEIN. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. Dickstein]?

There was no objection.

Mr. PATMAN. Will the gentleman yield for a parliamentary inquiry?

Mr. ROLPH. I yield for a parliamentary inquiry.

Mr. PATMAN. The parliamentary is, I think our folks should come on now. You see, they have not gone on as yet.

Mr. ROLPH. Mr. Chairman, is that a parliamentary inquiry?

The CHAIRMAN. The Chair will answer it. Under the rule adopted by the House, the time is under the control of the chairman and the ranking minority member of the Committee on Banking and Currency.

Mr. PATMAN. Mr. Chairman, I invite your attention to the fact the chairman yielded me an hour. Now, then, I want to use that hour. I have used only 20 minutes. I expect to yield that time to these other gentlemen to use who are waiting here.

The CHAIRMAN. The chairman of the Committee on Banking and Currency yielded the gentleman from Texas 20 minutes.

Mr. PATMAN. The chairman well knows that in his opening discussion the chairman of the Committee on Banking and Currency yielded me 1 hour definitely for today.

The CHAIRMAN. The Chair observed that the chairman of the Committee on Banking and Currency did promise the gentleman an hour, but the Chair cannot control the keeping of promises.

Mr. BROWN of Georgia. Mr. Chairman, I expect to carry out the promises of the chairman, the gentleman from Alabama [Mr. Steagall]. He yielded to the gentleman from Texas [Mr. Patman] and those who are taking the same position he is taking 1 hour this afternoon. I will yield 40 more minutes to them this afternoon before we close.

Mr. PATMAN. As a matter of good faith, I know the gentleman is fair and wants to be fair—

Mr. ROLPH. Is this taken out of my time?

Mr. PATMAN. Since each side has taken an hour, why should we not use our hour now? You have 2 hours against us.

The CHAIRMAN. Does the gentleman continue to yield?

FOOD FOR THE WAR EFFORT

Mr. ROLPH. Mr. Chairman, price control is an emergency measure. No sensible person advocates price control as a scheme for changing our way of life. Not as a means of permanently regimenting our national economy. Leon Henderson sold us on price control purely and simply as a means of combating inflation. Nothing more; nothing less.

The American people support price control because of bitter experiences following World War No. 1. They know runaway prices may well be followed by an aftermath of hesitation, bankruptcy, and chaos. Following the Armistice of 1918, and in the early twenties, innumerable firms went under because of tumbling commodity values. Not because of

speculation. Not because of careless management. Not because of inefficiency or neglect. Troubles were caused by head-over-heels falling of prices and no buyers. Heavy inventories and no customers. Therefore, thoughtful people accept price control as a means of self-protection. Sort of an insurance policy. Reliance on an old axiom "once bit, twice shy."

But, Mr. Chairman, I do not think our people desire to embark on a sea of unlimited subsidies. During the summer recess we had occasion to discuss this issue with the citizens back home. While certain groups honestly feel the measure is a step in the right direction, others strenuously oppose. Before the recess, I voted against giving the Commodity Credit Corporation a blank check. After visiting San Francisco and talking to my constituents and after listening attentively to the witnesses before the Banking and Currency Committee, I have not changed my ideas. I am still opposed to unlimited subsidies. Why should the Federal Government be asked to pay part of the individual's living expenses? Why should the boys and girls now in the armed forces undertake huge tax bills for paying a portion of the living expenses of those who remain at home? Why should our children and our children's children pay any of our bills?

There is a wide gulf between unlimited subsidies and a policy of support prices of foods necessary for war purposes. The policy now in force.

In the latter field, Commodity Credit Corporation is doing an excellent job. The corporation should be continued. In my opinion it is a mistake to even consider abolishing the Commodity Credit Corporation. It has encouraged increased production of food products for the armed forces and for lease-lend. Among the food products supported for the war effort by C. C. C. are vegetable oils, canned vegetables, peanuts, dried peas, prunes, sugar—beet and cane, domestic and foreign—wheat for animal feed, cheese, milk, dried beans, raisins, coffee.

No doubt each of these commodities will be discussed at length several times during the debate. I intend to speak of but three, sugar beets, prunes, and raisins. California leads in production of all three. Each is of paramount importance in the present emergency.

Therefore, let us carefully examine sugar. Members of the Banking and Currency Committee have been pressing for announcement of support price on sugar beets. On December 31, 1941, the Secretary of Agriculture estimated various quotas for 1942 as follows:

	Tons
Domestic beet.....	1,862,811
Mainland cane.....	504,995
Hawaii.....	1,127,420
Puerto Rico.....	959,088
Virgin Islands.....	10,716
Philippine Islands.....	1,237,764
Cuba.....	2,297,533
Foreign countries.....	31,747
Total	8,032,074

By proclamation of the President as of April 13, 1942, all sugar quotas were removed.

We counted on about 15 percent of our supply as coming from the Philippines. The attack on Pearl Harbor stopped all shipments from the Far East. Cuba is down for about 30 percent, the largest single contributor to our needs. The United States, through Commodity Credit Corporation, has been purchasing the Cuban crop for the past 3 years. C. C. C. likewise purchased sugar for import from Puerto Rico and other sources. In May, when the earlier C. C. C. bill was before the Banking and Currency Committee, Mr. Hutson reported on the workings of his Bureau. Referring to page 268 of committee hearings, under the caption of sugar, we read:

As one of its major activities in the foreign field, Commodity Credit Corporation has bought the 1943 Cuban sugar crop and is negotiating for purchases in Puerto Rico, Haiti, and the Dominican Republic. Imported raw sugar is allocated to refiners and sold to them at a price which permits them to operate under existing price ceilings. In addition, the Corporation will buy the 1943 sugar-beet crop at a price which will increase returns to farmers, and will resell the crop to processors at a price which will permit them to refine sugar and dispose of it within the price ceilings. The Corporation may absorb some of the excess freight charges in transporting beet sugar outside of the area in which it is normally sold.

The beet sugar planters in the United States were urged by the Federal Government to increase production. Growing beets for sugar is in competition with other commodities, such as lettuce, beans, and similar products. Unless the farmer knows in sufficient time what price he will get for beets, he most likely will plant other crops. The gentleman from Michigan, Representative FRED CRAWFORD, stated the case clearly, as shown on page 80 of committee hearings:

Mr. CRAWFORD. Mr. Hutson, I would like to make this comment, in reply to your question. In the growing areas—and I say this after many years' experience right out in the field of contracting—before the planting season begins, the interested farmers attempt to map out the acreage planned that they propose to follow with respect to all crops, including sugar beets. Now, the competitive conditions with respect to substitute crops, plus all of this planning that all of us are involved in, has an effect upon the individual farmer, in such a manner that it tends to reduce the acreage which goes into sugar beets, so long as the individual farmer does not know exactly what his acreage plan must be as related to this specific crop—sugar beets. So I would say that in any area where planting has actually begun, every hour the final announcement is delayed will operate against the acreage which will ultimately be planted to sugar beets.

By referring further to page 82 of committee hearings, we find complete text of letter written September 24, 1943, to War Food Administrator Marvin Jones by California Congressional Sugar Committee. The letter sets forth the urgency of naming the support price on sugar beets.

Pressing further for the price on sugar beets, I wrote under date of October 7, 1943, to Mr. Jones and Mr. Hutson jointly requesting action. Mr. Hutson replied on October 16, 1943, stating the acreage question could be settled but that the Government hesitated to name

sugar support price pending action of Congress on the Commodity Credit Corporation bill.

On October 26, 1943, the Agricultural Council of California wrote me, in part, as follows:

We are greatly concerned over the continuing delay in the announcement of a definite sugar-beet program for 1944. Every day's delay means so many more acres taken out of beets and planted in other crops. More and more growers are every day writing beets off their list and contracting for the production of other crops—solely because they have no assurance as to a future beet program.

On page 5 of Committee Report 846, covering bill under debate, we find this language concerning section 3:

This section does not prohibit nor interfere with any operation of the Commodity Credit Corporation or any other agency of the Government with respect to producer subsidies or loans authorized under existing law, including the Emergency Price Control Act of 1942, as amended and supplemented by Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and it does not prohibit or interfere with support prices or the use of Commodity Credit funds made available to the Commodity Credit Corporation by existing law, including section 4 of Public Law 147, approved July 1, 1941, as amended.

This section provides that support prices shall continue to be announced for any such agricultural commodities pursuant to section 4 of Public Law 147, approved July 1, 1941, as amended, and further provides that loans shall continue to be made pursuant to section 8 of Public Law 729, approved October 2, 1942. The section provides, however, that maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below prices specified in section 3 of Public Law 729, approved October 2, 1942.

The language is clear and explicit. The support price of sugar should be announced and is in no way connected with unlimited subsidies. For 3 years past the Federal Government has purchased Cuba's sugar. About 44 percent of the sugar consumed in the United States ordinarily comes from foreign sources. The domestic beet crop is in normal times close to 23 percent of our total requirements, including lend-lease.

I repeat, the question of unlimited subsidies does not, in my opinion, enter into the sugar picture. It is manifestly unfair and prejudicial to our national interests tying sugar in with unlimited subsidies.

Now with reference to dried fruit. Practically the same situation exists as in sugar, except dried fruits are domestically produced whereas a large percentage of the Nation's sugar requirements are imported.

I have obtained copies of Commodity Credit Corporation forms used in connection with raisins, also prunes. Agreements are dated as of August 15, 1943. These contracts are here for perusal by the members of the Committee of the Whole. First paragraph of raisin contract reads, and I quote:

Whereas in order to assure an adequate supply of standard quality processed raisins of the 1943 crop, during the existing war emergency, for the needs of Government agencies and for civilian consumption and

to assure the proper and orderly marketing thereof, Commodity desires to purchase certain processed raisins of said crop and to make certain disposition of the raisins purchased, all in the manner and subject to the conditions hereinafter specified.

Section No. 1 of raisin contract is quoted in full:

Section 1. Support prices to producers: In respect of all of its purchases of 1943 raisins in natural condition, whether such raisins are purchased by packer for processing or sale pursuant to this agreement or otherwise, packer shall pay all producers for 1943 raisins so purchased (other than raisins received from its producer-members by a packer which is a bona fide marketing cooperative) the applicable producer support prices. Such producer support prices shall be the maximum prices in effect as of the effective date of Maximum Price Regulation 461, as issued by the Office of Price Administration on August 28, 1943, in respect of all such 1943 raisins.

And so forth. Prune contracts are almost identical. In my opinion these contracts will fully qualify under terms of the bill as written. The dried fruit industry was encouraged to increase production. The industry responded wholeheartedly, sincerely, and loyally. The dried-fruit industry is making an outstanding contribution to the War effort and is cooperating 100 percent with all Federal agencies involved.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Today I have been informed by the War Production Board and the Defense Plant Corporation that we have a great shortage of commercial alcohol, as well as blackstrap molasses out of which to produce commercial alcohol. Does the gentleman know any better way to alleviate that situation than for the Food Administration to announce to the gentleman's sugar-beet growers in California that they may proceed to plant and grow sugar beets, out of which we can make sugar, so that in the offshore areas invert sugar can there be made, to be converted into alcohol?

Mr. ROLPH. I thank the gentleman very sincerely for that observation. I agree with him 100 percent. As the gentleman knows, the planting of sugar beets began in California in September. The planting starts in our State earlier than in any other section of the country. Due to the late announcement of the price last season, the price not being announced until March, there was a shrinkage of some 100,000 acres in the planting of sugar beets. In other words, instead of 170,000 acres being planted, as in the campaign before, only 70,000 acres were planted in the last campaign. The observation of the gentleman is absolutely correct.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. DILWEG].

Mr. DILWEG. Mr. Chairman, I feel that the vote to be cast by this House on the bill under consideration will be properly weighed by each and every Member who is fully aware of its importance. The vote to extend the life of the Commodity Credit Corporation

will reflect the issue of "subsidies," or "no subsidies," as their use pertains to the field of agriculture and commodities processed from that field. All arguments to date presented on this floor have clearly drawn the line of "subsidies" or "no subsidies" and nothing has been said that would indicate that a compromise or a twilight zone between does exist.

I object to the sweeping and all-inclusive language of the antisubsidy provision in this bill. I refer to subsection 3. I believe that there is a danger in completely tying the hands of the executive agencies and corporations by this sweeping prohibition. I have repeatedly said to my colleagues that subsidies may, at times, be the only practical method to achieve maximum production of food, on the one hand, and, on the other, to maintain to the consumer a supply of food at a price which is reasonable and consistent with his income.

When this body considered the Commodity Credit Corporation bill shortly before our recess in July of this year, experiences in connection with food production clearly indicated that manpower shortage with a wholly inadequate supply of farm machinery, increased risks and costs of food production. The farmer could not be expected to increase his production without being relieved of some of the risks and additional costs. Increase in retail food prices which would result in passing on to the ultimate consumer the increased cost of production, would certainly result in demands for increases in wages and salaries. Knowing human nature, we could not permit the cost of living to rise without expecting a wage increase.

I think it must be conceded that the costs of providing farm commodities to the American consumer cannot be completely controlled. Therefore, costs which cannot be absorbed by the farmer can only be absorbed by the use of subsidies if price and wage ceilings are to be maintained. Thus, the payment of subsidies has been an essential part of price control. Price control as a factor in stabilizing labor costs, cannot be overemphasized and it follows that wage ceilings cannot be held, or even justified, unless the cost of living is stabilized.

The administration is making a desperate attempt to hold the line, even though subjected to continuous pressure from special interests. It is evident that the prior control and subsidy program has been administered partly with a view to preventing increases in the cost-of-living index. Labor has criticized the cost-of-living index as a true measure of cost of living and has protested the administration of the Little Steel formula, demanding increases in wage rates. If we are to accept the Department of Labor, Bureau of Labor Statistics, as accurately reflecting price increases, we can understand the reaction to the information by the average wage earner. To illustrate: The United States Department of Labor, Bureau of Labor Statistics, reported on September 30, 1943, that food prices in August were

40.3 percent above January 1941, base date of the Little Steel formula. The entire cost of living was 4.9 percent above August 1942, and 22.2 percent above January 1941. Representatives of the various farm bureaus in the country charged the administration with failure to keep wages within the Little Steel formula. Unfortunately, statistics on the trend in rates since the establishment of the ceiling are not available. Statistics in weekly earnings per capita in 32 selected industries are available, and although there has been an increase in weekly earnings, it is due mainly to longer hours, overtime with higher rates of pay, increased production at incentive rates, upgrading, and other factors.

The recent increase in pay granted to the miners of this country and the present railway wage dispute certainly places the whole stabilization program in a precarious position.

If Congress passes the bill in its present form, it must assume the responsibility for its actions. It has been said that the executive branch of the Government has repeatedly told Congress that if Congress will suggest another way to hold down the cost of living without subsidies, and at the same time give the farmer a fair price and a sufficient price to encourage production of needed food, they would gladly accept an alternative that would get the job done. To date, no one on the Banking and Currency Committee—and, to my knowledge, no Member of the House—has presented a substitute plan.

It is, therefore, apparent that if Congress legislates that no subsidies may be used, Congress repudiates the administration's plan and assumes the responsibility itself.

I have never been in favor of roll-back subsidies, and many of the subsidies which are direct consumer subsidies. I do feel, however, that Congress could limit the total amount to be spent by the Government for subsidies, or support prices, and that Congress should lay down some standards as to how the money is to be spent.

In other words, subsidies should be restricted in their use. May I say that I am not alone in my views on this matter. The very farm group which is urging the passage of this bill realizes that the sweeping subsidy ban proposed by subsection 3 might cause costly disruption and loss.

On Friday, May 28, 1943, Albert S. Goss, master of the National Grange, appeared before the Banking and Currency Committee and, among other things, made the following recommendation:

No funds shall be used to make loans on or to purchase any commodity for the purpose of supporting the price thereon if, at the time of purchase, any maximum price is maintained on such commodity lower than such support price, or if, at the time of purchase, it is contemplated to sell the commodity at less than the purchase price, except as shall be specifically authorized by Congress as to each individual commodity for which exception is made; provided, that in the case of any commodity which is used for more than one purpose the price may be so adjusted with respect to the different uses

for which such commodity is sold that the total rates shall be not less than such support price.

Except as normal market conditions justify, no maximum price shall be placed on any commodity below the support price so long as the Commodity Credit Corporation shall hold any such commodity, either under loan or through purchase, it being the intent and purpose to avoid the use of public funds to prevent agricultural commodity prices from seeking a level necessary to secure adequate production for war purposes.

No direct or indirect subsidy shall be paid to any producer, processor, or distributor of any agricultural commodity upon which any maximum price is in effect, except as may be expressly authorized by Congress.

It is interesting to note that subsection 3 of this bill contains the prohibition requested by Mr. Goss, even to the extent that an exception has been made, as he suggested, for a specific commodity, namely, competitive vegetable oils.

Mr. Goss continues:

It is recognized that commitments may have been made and purchase or marketing plans may now be in operation which cannot be immediately adjusted to such a program without causing costly disruption and loss. It is, therefore, suggested that an exception be granted, as follows: Exclusive of losses on commodities in respect to which mandatory loans are applicable, the War Food Administrator may enter into such commitments not in violation of the purpose of subsection 3 as in his judgment are necessary to secure production of needed commodities for war purposes, provided that the total estimated losses under such commitments shall not exceed \$100,000,000. A detailed report on all transactions under this subsection shall be made to the Congress semiannually. Admittedly, the \$100,000,000 named above is a random shot. We believe the committee should find out the extent of the need and adjust the amount accordingly.

When Chester C. Davis was War Food Administrator, he made the plea, and I quote:

I hope the committee and the Congress won't divide itself into two hostile camps; one saying, "I am for incentive payments," and the other saying, "I am against incentive payments"; one saying, "I am for subsidies," and the other saying, "I am against subsidies."

Let us get the philosophy established for a coordinated program on inflation, of which this is a part, and then give us a chance to use some reasonable common sense in their administration.

The present War Food Administrator, Marvin Jones, appearing before the Banking and Currency Committee, suggested the use of the Commodity Credit Corporation funds for a definite support price and expressed a perfect willingness on his part that Congress establish safeguards around the Commodity Credit Corporation's power.

If our price-control program was as flexible as that used in Canada, it would seem entirely proper to suggest that the cost of living index be tied to the wage ceilings; that if the index rises 1 percent or more that labor receive a bonus sufficient to absorb this increased cost of living.

However, the administration of a "hold the line" order in a country of 130,000,000, as compared to a country of 10,000,000, naturally presents many unfore-

seen ramifications. As I see it, the problem is not one of simply eliminating subsidies, but, rather, is one wherein Congress cannot consider subsidies alone but a long-range program of stabilization must include wage stabilization, an adequate tax program, and subsidies.

If the use of subsidies in a price-control program fails to stabilize wages, it contributes nothing to the general attempt to hold down inflation, and, as a matter of fact would contribute to inflation.

Lost in the shuffle, so to speak, is the average worker who has not shared in the pay gains among workers generally. This unorganized group has no representation to voice its woes, except through their elected Members in the House and Senate, and I venture to say that there is not a Member in this House who does not have in his constituency such a group. Estimates range from \$15,000,000 to \$33,000,000. This is not a mythical group, but a bloc of hard-working Americans who have every right to expect a just and due consideration of their lot. Their plight, at present, is one of desperation. I give you the concern of the group as voiced by a constituent of mine, whom I shall call Mrs. X. I quote from a letter recently received from her:

I am getting constantly more and more concerned with the news all through the press of taking the lid off of prices and having inflation soar. We in the League of Women Voters have been striving very hard, as you know what it means to each and every individual in the country if we allow such a thing to happen, and yet, as we learn to understand the consequences, Congress allows pressure groups to work, John L. Lewis gets his licks in with Government, the hue and cry is for rising wages. It is all too horrible. Can't you do something? Can't you start more of a campaign in the House of Representatives to stop this inflation? We of the fixed income group—and there are millions of us—are caught between the higher and lower income groups. Our wages are frozen, with prices rising, and before long we won't be able to do our part by paying the rightfully higher taxes we now have and which we know should be higher. We are for a heavy tax bill, as much and more as we can stand, but what good does control of prices do if it is allowed to work alone without the taxes to sift off the loose money floating around? It all seems so obvious back here in a small town and why we have to suffer the lack of good sense by most of those in Washington is more than I can hope to understand.

Yes, Mrs. X; I appreciate your predicament. So do many other Representatives. Evidence of this fact is now before this body in the form of proposed legislation offering a stamp plan to the low income group. But, to me, this is not a solution to your problem, for the cost of this plan would nearly equal the \$800,000,000 proposed to be spent for subsidies, with rising prices and wages depleting the buying power of every dollar you earn. I firmly believe that we can help your group if we continue to use all subsidies with definite restrictions prescribed by Congress.

It is my hope that the Members of the House will have an opportunity to record their votes on subsection 3 of this bill,

if this section remains in the bill unamended. For, regardless of what this House decides is best for the Nation as it votes on the subsidy question, most of us are in agreement that the life of the Commodity Credit Corporation should be extended. My views as expressed here represent my firm convictions and what I believe is best for the Nation as a whole as we continue in this all-out war.

Mr. MURRAY of Wisconsin. Chairman, will the gentleman yield?

Mr. DILWEG. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. My distinguished colleague from Wisconsin has used the figure of \$800,000,000. Does the gentleman believe that would be a sufficient amount to finance the proposed subsidies, or can we look forward to a much larger sum being asked for? My point is this. It would take the whole \$800,000,000 to subsidize this last subsidy on dairy products, if it were spread across the board to give every dairyman in the country the same subsidy that some of them enjoy.

Mr. DILWEG. My answer is that I am not concerned as to how much they might need or how much they think they need. If we put on this safeguard and limit the amount of money to be used for the purpose, that will answer the gentleman's question.

Mr. MURRAY of Wisconsin. Limit the amount of producer subsidies and limit the amount of consumer subsidies?

Mr. DILWEG. Subsidies of all kinds, and if necessary put restraints on the use of the money besides restraints on the amounts of the subsidies.

(Mr. DILWEG and Mr. SUMNERS of Texas asked and were given permission to revise and extend their remarks in the RECORD.)

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Nevada [Mr. SULLIVAN].

Mr. SULLIVAN. Mr. Chairman, the bill now pending before the House involves a proposal, upon the correct solution of which may depend, not alone our fortunes in the war, but our internal progress and prosperity in the peace to come. The war may be unnecessarily prolonged, with its daily burden of blood, sweat, and tears, and the recovery of the domestic economy may be so dislocated as to doom this country to another reconstruction era of dismal history.

The bill, ostensibly designed to extend the life of the Commodity Credit Act, which by virtue of previous legislation was doomed to expire absolutely December 31, 1943, has had a string attached to it so that, while its life is to be extended to June 30, 1945, by reason of amendment in committee, the practice of providing subsidies for the support of prices or to stop loss was prohibited.

The amendment was adopted by a vote of 16 to 10. The controversy is one involving the eternal conflict of ideas between producers and consumers. Eleven Republicans, one Progressive, and four Democrats voted against subsidies in committee. Ten Democrats voted for subsidies and against inflation. For some reason as yet unexplained, vege-

table fats, oils, and oilseeds were allowed a continuance of subsidies, and the corporation was permitted to sell perishable fruits and vegetables, absorbing loss. Except for these subsidies, support prices and loss absorptions were prohibited.

The action and recommendation of the committee is plainly provocative of inflation. The pressure of surplus spending money against limited supplies of commodities in the absence of encouragement to produce as much as possible, can have no other effect than to break down all control over prices and open the door to competitive bidding with constant, ever-increasing prices. The cost of living must advance and the wage earner living on real rather than nominal wages will constantly demand that his nominal wages be increased to meet the constant increase in prices in the market place.

If the Congress should adopt the committee report it will mean that it has repudiated its order enacted into law requiring the Executive to fix and maintain ceiling prices on both wages and commodities in a heroic defense against inflation. The second Price Control Act, effective October 2, 1942, directed the President to stabilize prices and wages substantially as of September 15, 1942, with due provision for relief in cases of gross inequalities and inequities. The line thus set up was held with substantial integrity and has been held thus for a year. So long as price levels have been held, wage levels have been held, but it is now proposed that both be scrapped and that the only logical method of relief by way of subsidies to maintain and encourage production while saving loss in extreme cases of inequity will be terminated. Both the O. P. A. and the W. F. A., executive agencies set up to control prices on the one hand and to maintain production in the face of frozen prices, on the other, will be rendered helpless by the proposed amendment and the Price Control Act of 1942 may as well be wiped off the statute books.

Those who favor this proposed and revolutionary change in policy in the midst of emergency must be prepared to defend inflation—and inflation has always had the character of a run-away—and at the same time condemn subsidies. Both courses are logically involved and both attempts are inevitably doomed to failure. Inflation is indefensible. Subsidies are the only bulwark of price control. A doctrine of artificial scarcity of commodities, coupled with a doctrine of artificial expansion of the media circulating as money, points only to famine in the end. This is a time when food must be produced "to the uttermost" and compensation for that product must be stable and not a fraud that fails in its rewards for toil. In cases where the producer and consumer are the same man a fictitious price and a fictitious wage or return become both a sham and a mockery.

Those who compose the American public occupy two situations, one as breadwinners and another as taxpayers. In the latter capacity the costs of Government and the prosecution of the war impinge directly upon all and when the country is the main factor in the market

for goods, services, and commodities the individual must concern himself not alone on his immediate prosperity and sacrifice in the daily affairs of life, but on his ultimate and secondary prosperity and well-being. The time has gone when any class of people can profit at the expense of any other class or by reason of national misfortune such as war. Sacrifice is demanded of all and in the allocation of sacrifice, whether in comfort or in fortune, must reach all. No one was born in this country and generation in order to live his life as usual, untouched by the universal needs and misfortunes. I should hate to consider that this country is so unstable or lacking in sturdy character that on the coming on of an emergency it should divide into blocs and pressure groups for the sole purpose of each saving themselves or aggrandizing themselves.

There are those who maintain that because the burdens of price and wage regulations come home to them, that the agencies of control are at fault. The fact is they complain not so much over their share of the burden, but that they have any burden at all. In the World War copper commanded a price of 35 cents a pound as against the present price of 12 cents; steel plate, \$180 as against \$42 per ton. If we had the absence of control prevailing in the last war instead of the control exercised by the O. P. A., the costs of living and of the war up to this date would have been greater by \$89,000,000,000. Real wages are substantially the same in a majority of cases. Only 18,500,000 workers out of a total of 43,500,000 are in a better relative position today than in August 1939. The farmer's net income is 75 percent higher. Corporate profits after taxes are 90 percent greater. Producers, however, insist in a short-sighted view of self-interest that they be allowed increases in wages and returns for crops and commodities. If there is any merit in their claims, then increases should go to all and then there would be no special privilege or advantage to any. What they mean to have is preferential treatment in some form or another so that while they are better off, or escape sacrifice, the remainder of the Nation shall continue to share the worse lot and to shoulder the greater proportionate burdens. Often they profess to see escape by saddling greater costs on the Government, forgetting that they must respond in the end by way of increased taxes. And even here some classes look with expectation to the prospect of escaping taxes while other classes take up the added burden.

It needs no argument to demonstrate that inflation is indefensible. Inflation is always followed by deflation and when we have to pay back in dollars earned by greater labor, those loans obtained when labor commanded higher return in dollars, hardship and bankruptcies will result.

On the other hand subsidies have historically been used to provide for the general welfare. The protective tariff is a classic example of subsidies which operate to enable manufacturers and producers to raise prices to a point not to be met

by foreign competition laboring under tariffs on imports. The mail subsidies for ocean mails, not to speak of the practice of doing business at a loss in carrying second-class mail in order to assist in the dissemination of intelligence, is another instance. The whole history of the homestead laws, the railroad grants and reclamation and river and harbor improvements has been the history of taxation of all for the immediate benefit of a few designed to be reflected, however, in the increased prosperity and progress of all.

The Nation's total wage bill is \$100,000,000,000 a year. A 10-percent increase in the cost of living will increase this national wage by \$10,000,000,000. The Government itself, being the largest consumer of war goods, would pay 55 percent of this total bill or about \$5,500,000,000. The price increase could not be restricted to those goods upon which subsidies are now paid. Once the line is broken a general increase in food prices would result. The farmer, the worker, and industry exert tremendous pressure against the stabilization program. If a break-through occurs at any one point, all controls are threatened.

If this proposed amendment goes into effect, we shall see after December 31 of this year a large increase in the cost of living. This will be followed by a demand for raises in wages and the pernicious spiral in prices and wages will begin, with no end in sight. If we do not hold the line now under this tremendous assault, we shall never again have the opportunity to do so.

If this was a time of peace, I should not be disposed to interfere with the operation of the law of supply and demand, but with the war effort making demands on supply equivalent to the former pre-war demand, the added costs of inflation must be raised by taxation that reaches every consumer in the land, even the consumers who are also producers. In addition, there will be a tremendous tax by raising the market prices in dollars that must be later met when the dollars shrink to normal in volume of circulation.

As illustrative of the attitude of one section of the agricultural population of this country, I desire to insert at this time an abstract from the transcript of the hearings on this bill containing the testimony of Russell Smith, representing the National Farmers' Union, as follows:

Mr. SMITH. Mr. Chairman, the National Farmers Union favors the adoption without amendment of the proposal that Mr. Jones, War Food Administrator, has made.

I take it there are three principal points involved in his proposal. First, the extension of the life of the Commodity Credit Corporation. On that we think that a year and a half is a reasonable time.

Second, on the half-billion-dollar borrowing authority, we think that that is a minimum requirement in a war situation, and we hope it will be included.

Third, on the authority to sell perishables below parity, when they are in danger of deterioration, we feel is only reasonable administrative leeway. We think the potato situation this year illustrated the very high desirability of that provision.

Now, there has been one amendment proposed during the hearings as to which the National Farmers Union would like to go on record as being opposed. That is the proposed amendment which would not permit the fixing of a price ceiling below a support price for a commodity. We think that is unworkable administratively.

Second, we think it would lead us right back into another inflationary spiral. On every commodity that was involved, we feel the Administrator would be faced with an almost impossible decision, namely, whether to break the price ceiling or whether to pay the support price. The net result probably would be that there probably would not be very many actions of any kind taken. So that what you would come out with from the farmer's standpoint would probably be a reduction in farm income. From the consumer's standpoint, you would probably come out with higher prices.

I would like to read to the committee one paragraph pointing out that administrative difficulty:

"The provision would not only immediately increase the cost of living but it would make it impossible for us to adopt support programs needed to increase production without causing a still further rise in the cost of living. Undoubtedly if we must in each case weigh the advantages of a support program against the disadvantages of an increase in the cost of living, many support programs which might otherwise be adopted will be rejected, and other support programs, although finally adopted, will inevitably be delayed."

That is from the President's veto message of last July, when such a provision was incorporated in the Commodity Credit Act of that month.

Now on the general question of subsidies, support prices, and so forth, we feel that right now for the first time in the war situation most of the economic factors involved are beginning to level off. Nonfood prices are leveling off, farm prices are leveling off, so that if the line can be held we think it would be for the public good.

We would like to point out, too, that there is a factor in the leveling off of farm prices which is unpredictable. Right now there is a considerable seasonal element in the stability of farm prices. In other words, if all the other factors were the same and this were 3 months later in the year, it is not at all certain that we would have as good a record on food prices as we have now.

We feel that looking at this situation purely from the farmer's standpoint he has everything to lose by a general breaking of ceilings, which we feel is very likely to follow if the precedent is set by this committee in the consideration of this legislation.

The farmer always loses first going up, and he always loses first coming down.

Second, on the purely income value of the subsidy, as opposed to the rise in prices, we believe that ordinarily a subsidy channels money directly to the producer, and ordinarily any price rise is diluted. By the time the farmer gets his cut from the increased price, it is usually less than he would get if the subsidy would come directly into the farm.

Finally, as a taxpayer, we believe the farmer better off.

The Congress, I believe last spring, passed a military bill of \$69,000,000,000, approximately. Now in 1941 the wholesale commodity index stood at about 127. At the time that bill was passed it stood at 152. In other words, that was just about a 20-percent increase. If the \$69,000,000,000 bill had been passed in 1941, and assuming that labor and other factors were roughly in that same range, 20 percent, then obviously the National Government would save \$13,800,000,000, which now has been added to the national

debt. That comes out of farmers, as taxpayers, just the same as it comes out of any other taxpayer.

That is all I have to say, Mr. Chairman.

There you have the views of a farm organization as to the advantages of subsidies.

In conclusion, in my opinion, there is but one issue here. Do we want inflation or do we fear and repel it? Congress has already ordered prices stabilized. Is there enough heat in certain sections of this country to defrost prices and send the mercury in the economic thermometer up to the point where it will break the top?

(Mr. SULLIVAN asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Pennsylvania [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, I asked for this time today to present an informal committee report to the House. The time is opportune, since we shall soon become engaged in the consideration of another tax measure, and, consequently, Federal finances generally.

The need for the forthcoming tax measure grows out of the war in which we are now engaged. The cost of its prosecution is daily mounting and no one at this time can even approximate the ultimate total.

The Committee on Appropriations, and more particularly the military subcommittee thereof, of which I have the honor to be chairman, have been the agents of the House in determining the amount of public funds that should be made available to the Army for the prosecution of the war; and, in that capacity, have had a large responsibility in the size of the debt the war has entailed, and, therefore, in creating the need to provide ways and means for its liquidation.

We recognize that responsibility and have conscientiously endeavored to discharge it; with the best interests of the country as a whole ever foremost in mind and deed. Whether or not we have done our job well, I shall leave to the judgment of others. It would seem appropriate, however, to call attention to the fact that every regular annual military appropriation bill we have presented to the House since Pearl Harbor, has had the unanimous support of the House, as evidenced by recorded votes, except that there was one vote cast against the bill for the fiscal year 1942.

In writing the wartime military appropriation bills, Mr. Chairman, we have not proposed to the House an appropriation for a single project which had not been justified to us by our military leadership as being essential to the war effort.

The aggregate of military appropriations has been large. Tersely, that is because of global warfare and modern military implementation. For the period July 1, 1940, to date, the total, roundly, is \$127,000,000,000.

The current fiscal year's portion of that aggregate is \$59,034,839,673. That amount astounded us as much as it astounded you. We spent many days going over the details with Army chieftains.

My subcommittee does not take anything for granted. The Chief of the Army Service Forces, General Somervell, told us, referring to the total of the appropriations requested for the current fiscal year, that such amount, and I use his own words, "can and will be obligated in full by June 30, 1944."

At that time the Allied armies had just ridden north Africa of Axis forces. The drive across the Mediterranean had not begun. Our Air Forces in Britain and north Africa had not then approached their present magnitude or striking power; we had not progressed much beyond Guadalcanal in the Solomons, and the German submarine continued to be a serious menace to the expansion and supply of our own forces across the Atlantic and in getting aid to our allies. We were then, I might say, as it has since developed, just at the threshold of the events which in recent months have inspired us all.

In such circumstances, my colleagues, is it conceivable that any red-blooded American would have denied a dime in the face of assertions of need by the best military minds we had? We did not, except in a few instances where there was no demurrer on the part of the War Department, and you, with one voice, endorsed our course.

Happily, much has transpired since that time, Mr. Chairman. The American Army today is really on the march. With our British allies it is striking at the German citadel from the air in ever-increasing volume and effect, and jointly with our British allies, it is steadily advancing up through Italy on the ground. North Africa has been turned from a battleground to an operating base. The submarine has been checkmated, sea lanes have been shortened, and water transport now moves with comparative safety. In the south or southwest Pacific, Allied forces have been advancing up through the chain of islands lying north and northeast of Australia, and judging by latest dispatches, the time is not far distant when the Japanese will be dispossessed of all important holdings and strategic bases from Guadalcanal on the east, to the western tip of New Guinea on the west. The record of successive accomplishments is a grand tribute to American arms.

Today therefore, Mr. Chairman, were we writing the current Military Appropriation Act, we would be able to capitalize on these changes that have so greatly altered the situation obtaining but a few short months ago. We are going to capitalize now, however, in another way, as I shall explain in a moment.

General Marshall, Chief of the War Department General Staff, in his biennial report covering the period July 1, 1941 to June 30, 1943, paved the way for some very substantial economies. Let me read two or three passages from that very splendid and comprehensive document:

It is difficult to keep in mind the constant changes in the international situation and in the development of trained troops and munitions which dictated the succession of decisions and actions. For example, in the light of the situation today, the summer of 1943, we are not justified in maintaining large air and ground installations in the

Caribbean from Trinidad north to Cuba and even in the Panama Canal Zone itself so far as mobile ground forces are concerned.

Here is another:

Our deployments were made in the light of limited resources in troops and equipment at the time and a continuing lack of sufficient ocean tonnage or landing craft, or both, and were influenced also by the length of turn-around required of ocean shipping and the limited docking facilities in many ports. As these conditions changed our strategical approach to the war was altered accordingly. The recent opening of the Mediterranean to convoys, for instance, has profoundly affected the logistical possibilities in this world-wide war.

And lastly, still quoting from General Marshall's report:

Another factor is now operating to our advantage. We are reaching the end of the expansion; already it has been possible to reduce many training installations to a purely maintenance basis to furnish replacements for the present strength of the Army.

Largely in consequence of the foregoing, immediately following our recent recess, the chairman of our naval subcommittee, the distinguished gentleman from California [Mr. SHEPPARD] and I, as chairman of the military subcommittee, after counseling with the gentleman from Missouri, Chairman CANNON, put our heads together and determined that each of us would review the appropriations earlier made available for the current fiscal year. Accordingly my colleague called on the Secretary of the Navy and I called on the Secretary of War to have a restudy made of fiscal needs in consequence of changes in the war situation with view to a formal inquiry by our respective subcommittees. The Navy study is still in process, I am advised, although an advance report did make it possible, in writing the deficiency bill just passed a few days ago, to use \$750,000,000 of funds appropriated for Navy ordnance to increase the capital of the naval stock fund, instead of doing so by way of a new or additional appropriation.

As a result of the study made by the War Department, the Secretary of War transmitted to me on November 3, 1943, a statement of currently available military appropriations which it had been found practicable to transfer to the Bureau of the Budget reserve. Such transfers aggregated \$10,943,519,449.

Commencing last Monday morning the military subcommittee of the Committee on Appropriations convened to examine the statement and to ascertain whether or not it would be practicable to place additional amounts in such reserve. We had before us the deputy chief of the War Department General Staff, Lieutenant General McNarney, Under Secretary of War Patterson, and a host of other officers of the War Department, including several branch chiefs. In consequence of our inquiry, which extended over 3 days, the Department has consented to add an additional amount of \$2,220,000,000 to the Bureau of the Budget reserve, making a grand total of \$13,163,519,000.

The contributing factors are:

First, reduction in military personnel strength. We appropriated for a force

of, roundly, 8,200,000 officers and men. By reason of subsequent war developments, a reduction of 548,000 has been determined upon by the War Department high command. That means a saving in pay, travel, subsistence, clothing, and so forth of \$1,946,039,000.

Second, curtailment of the armament and equipment programs, \$8,262,759,000.

Third, reduction in facilities, including maintenance, \$780,447,000.

Fourth, modification and possible permanent deferment of the airplane program, \$2,086,069,000.

Fifth, miscellaneous projects, \$88,205,000.

The total, as I stated before, is \$13,163,519,000.

Now, what do these reductions mean, Mr. Chairman? They mean that unless some unforeseeable situation should arise, all of the 13 billions-plus will revert to the Treasury on next July 1, and that our ultimate debt will be diminished by a corresponding amount, and hence our tax levies over the years will be to that extent lightened.

We were assured that in the light of conditions presently obtaining, this vast amount can be given up without in the least impairing the war effort of ourselves or of our allies; without in the least impeding the expeditious and vigorous prosecution of the war.

I am sure, Mr. Chairman, that this will be welcome news to all who are disturbed over the mounting public debt, and all of us should be so disturbed. It has no immediate bearing upon the need to raise additional revenue, but it means that some day there will be that much less debt to be liquidated and, consequently, a lesser amount of taxes to be paid ultimately.

The amount is equivalent, approximately to 33 percent of the estimated Treasury receipts from all sources during the current fiscal year, according to a statement issued by the President on July 27 last. It exceeds by \$6,086,091,333 the total amount actually received through direct taxes on individuals during the fiscal year 1943.

Perhaps I should explain before concluding that a Bureau of the Budget reserve means the removal of funds from control of the agency for which appropriated. No part of amounts so reserved can be obligated without release by the Bureau of the Budget. In this instance, however, there will be an additional step, because the Department has signified that it will not seek the release of funds of any magnitude should subsequent events make such course necessary, without conferring with the subcommittee of which I am chairman.

Mr. Chairman, in conclusion, I wish to say to the House that the War Department has not been coerced into giving up this money. The War Department itself, took the initiative and has established a procedure whereby additional amounts will be placed in the Budget Bureau reserve from time to time as and when circumstances may be justify. The Department has an exceptionally capable official in Brig. Gen. George J. Richards, Budget officer of the War Department General Staff. The commit-

tee feels that, working with and under the direction of the General Staff, General Richards may be relied upon to handle the purse strings as economically as may be consistent and practicable under war conditions.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. FOLGER].

(Mr. FOLGER asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I happen to be quite well acquainted with the gentleman and know he is a conscientious follower of the principles of Thomas Jefferson. I believe the gentleman is going to speak in defense of the subsidy program. Would he, with his beliefs, consider that the subsidy program involves this country in State socialism, as has been charged?

Mr. FOLGER. My answer to that would be, that if I thought that, I do not think I would be here speaking as I propose to.

Mr. Chairman, the observation has been made during the debate on section 3 of the Commodity Credit Corporation bill that it was not desired to talk about the war. We have to think about the war. I doubt if I would find myself able to go along to any extent on the position I am about to take in reference to this section if we were not in war. But we are in war, and war is costing this country vast amounts of money. While we know what will be the end, that we shall accomplish a glorious victory, we do not know when that end will be. It is, therefore, quite apparent to all of us that many more billions of dollars will have to be spent in the prosecution of this war. Therefore, it becomes highly important to all America to consider that we are in war when we talk about this bill which would continue the life of the Commodity Credit Corporation.

Mr. Chairman, I do not know whether the percentage is 35 or 40 or 50 or 60, but it is true and acknowledged that the Government, itself, at this time—and it will continue to be, particularly so long as this war lasts—is a great purchaser of goods of every sort. Do we propose to sit still and allow prices to soar to the point where foods will cost three times as much as they do, where clothing will cost three to four times as much as it does, where tanks and guns and planes and munitions of war will soar to where we shall have to pay four or five times as much as we are now having to pay?

These things will come to pass if we allow unbridled inflation to grip this country in this time of peril. Mr. Chairman, the war, therefore, does make it highly important that we give attention to the question of inflation, which so definitely threatens us. It has been put to you in another way, but I have thought of it in this way: We will either have to abolish the Office of Price Administration and let prices soar as they may, or make production or incentive, or, if

you want to call it that, subsidy payments, on some articles of food, in order to get production, unless we take it out of the hides of the farmers of this country. As sure as you live today, this section 3, which is written into this Commodity Credit Corporation bill, will actually prohibit support and incentive payments which we have to have to get production, unless we pauperize the farmers of the country in the name of patriotism. What are you going to do? Are you going to allow prices to soar and the Government have to pay two or three or four times as much for goods and materials as it now pays, as well as the people themselves, or are you going to make a subsidy payment, if you want to call it that, here and there, in order to control the over-all rise in prices to prevent inflation, or are you going to say to the farmer that in the name of patriotism he may go ahead and produce but that we will take it out of his hide and will not give any production or incentive payment or consideration to him? We have to do one of these things.

Mr. Chairman, I am going to express on my part a little confidence in the honor and integrity of the men who appeared before the Banking and Currency Committee and testified to us that there is no proposal, there is no program, no thought of a program to indulge in unrestrained subsidy support or incentive payments which are pictured as very highly detrimental to the economy of this country, and probably so. When I heard Fred Vinson before that committee testify it was not the purpose of this administration or himself or any other man connected with it to indulge in unrestrained subsidy payments I believed him. He requested and begged and pleaded with us to trust him, as well as Mr. Byrnes, and Marvin Jones, and even, of you please, the Director of the Office of Price Administration, Director Bowles, all of whom I believe to be honest and fair and true to the American people in this situation, in their desire to control the threatened danger of inflation, and the spiral in wages which will submerge the economy of this country, and make us unable to carry on the war. I do not believe that these men were trying to deceive the members of the Banking and Currency Committee when they promised us that they not only would be careful, but exceedingly careful in using any payments that were called subsidy payments.

We are not talking about consumers' subsidies all the time. We are talking about these payments. Remember that there are a great many of our people who are our brothers, who are entitled to our consideration, so we are the power that holds the destiny of them in our hands, as well as others. It is said that there are from fourteen to seventeen million of these people who have received no substantial increase in their income—whom we refer to as the white-collar men—who have not had increases in wages, and who are destined to be pressed to the stage of pauperism unless we do something about the rising prices that are threatened. The very greatest importance attaches to this pro-

gram which Mr. Vinson and Mr. Jones and others have asked us to allow them to deal in with care, so that it will have the effect of preventing inflation, and not be taking it out of the hides of the farmers but a small payment on this commodity and that, here and there, made to prevent a general rise in prices in everything.

When it starts it is like a judge in my State, talking about the statute of limitations—and I mean it politely; I do not like to deal in anything bordering on profanity—said, "When it starts, all hell cannot stop it." We are all working to the same end. We are all hoping that this economic disaster may not overtake us. You have got to do one of three things. You must take the price ceilings off and let it rise, or you must take it out of the hides of the farmers, or you must provide a means in between the two where neither will be done; and we can go along in a reasonable way in view of the war that we are in and we will have to continue to provide for our farmers and keep down inflation and let our people live.

And when inflation comes, if we allow it, the farmer will be the first man to bear its evils. As he may receive a rise of 10 percent in what he sells, he will pay double, or more likely four times more, for what he has to buy—machinery, clothing, shoes, hats, dress goods, everything his family must have to live on and his dollar is worth 25 cents instead of a hundred.

And all along the line it will affect us all; and that effect will be disastrous. Let us, in this as in all things, apply the rule of reason and reasonableness.

Mr. BROWN of Georgia. I yield 2 minutes to the gentleman from Massachusetts [Mr. LANE].

(Mr. LANE asked and received permission to revise and extend his remarks.)

Mr. LANE. Mr. Chairman, if we visualize the stabilization line as the starting gate of a horse race we will have an appropriate picture to describe the national scene at the present time. Every analogy limps, of course, but the sight of various forces, tensed and excitable as thoroughbred horses straining at the leash, leads to the inevitable conclusion that if one of these forces breaks the others will rush in pursuit. This figure does not clearly signify the inflationary spiral which will ensue if present controls are broken, but it may serve to remind us that various groups of our Nation are vying in competition with one another, having abandoned mutual accord and self-sacrifice. And it is pertinent to point out too that the income of our people is absolutely, inexorably tied up in this contest, and the Federal Government is dually involved, not only as the protector of the private dollar but also as the greatest investor. But the tragedy in this contest will occur only if the starting flag is waved.

One of the dangers of the heightening of this competitive drive is that the significance and meaning of the entire problem is lost in the jockeying and maneuvering that has arisen. The fight against inflation has become, or at the very least gives ominous threat of becoming a battle

royal which bruises all and benefits none. And I am gravely fearful that the ban on subsidies on food, which represents the objective of one or more of the vying forces, will act in the same way as the stone which Jason threw among the armed soldiers which led to a thoroughly effective mutual self-slaughtering. But there are other Jasons and there are other stones poised. This then is a crisis.

I say we have lost a comprehensive picture of the whole situation; we have lost sight of the objective for all, namely the control of the inflationary spiral. For instance, we are forgetting that subsidies are but one aspect of the common struggle. We are also forgetting that subsidies are an important integral part of that struggle. To ban subsidies is to throw down the flag that signifies the start of the self-defeating struggle.

It would be a sufficient argument against banning subsidies to recognize the manifest truth that the precarious balance which we have been holding in maintaining the stabilization line would be broken down completely if the forces for inflation achieve their purpose. Examples recent and ancient testify to the exactness of the figure contained in the phrase "inflationary spiral." Costs, wages, and prices chase one another in an ever-increasing ascent when restraint is broken until the exhaustion of the effort succumbs to a break in confidence and all involved in the grim circular ascent realize painfully the futility of their chase. Then the accumulated possessions which they have picked up in the pursuit are not sufficient to purchase a drink of water to quench their thirst.

This is highly figurative language, and it fails to reveal the reality of privation forced particularly on those who are left behind. Our attention must be drawn now to those who have already been outstripped. A ban on subsidies would give wings to food prices and would ultimately make of the Little Steel formula an abandoned bastion which had been sacked before being overrun. But there are fourteen millions of our people for whom the Little Steel formula has had no personal application as a fort in which they could take shelter. Our aged people, our pensioned people, our people with anchored incomes constitute not a small segment of that group. The pension is either a sinecure against privation as a minimum reward for long years of faithful service or an acknowledgment by all the people of their debt to veterans of former wars and their families. To ban subsidies, and thus to give free rein to mounting costs would be to place an inhumane heel on the shoulder of the tied victim of a minimum income in our selfish effort to jockey for an inside position in the panicky race.

But there are many others who are tied to the ground during these days. They include the great majority of what we term the middle class, although this phase is gratuitous during these days. In plain terms they are the families who are dependent on allowances and allotments because the principal wage earner is in the service. They include the public servant whose duties are multiplied

during these days, whose sacrifices have already been great and who is asked now not for further sacrifice, but for surrender. To ban all subsidies is to use a whip in the double role of driving the leader ahead and lashing the victim behind in the runaway. Not only does the wheel that does the grinding get the grease, but the wheel that has stopped grinding because it has stopped running is thrown into the discard. But we are dealing with humans, which thought may bring the comparison into some focus. It should be emphasized too that organization has demonstrated its ability to do some artificially created grinding. We have had evidence of that during the debate on the present bill. And, the grinding has certainly not been harmonious.

The efficacy of subsidies has been demonstrated repeatedly on the floor by many of my more learned colleagues. But I would emphasize the necessity of subsidizing, at the barest minimum, specified and unquestionably essential foods. The opponents of this absolute necessity present many arguments to support their contentions that subsidies are dangerous impositions or needless remedies. I direct their attention to the most manifest and most significant factor that we have reached an alternative between subsidies or chaos. Whatever figure we employ to describe the situation, the spiral, the race, the panic, all signify the clear conclusion that to break the line means to invite chaos. This is the consideration above all others which must be borne in mind. We have fought inflation and its consequences with patchwork methods and have suffered hardships at home; we have been forced, some of us, to accept inequities. But we have kept some balance. But there can be no balance on a spiral. But a small percentage strike it rich in a gold rush. The deliberate choice for chaos involves a responsibility which I would certainly hesitate to assume, and I urge the Members of the House not to invite it either.

Even if the crisis were not so grave and the alternatives not so clear, I would support a subsidy program designed to prevent inflation. But small question can be raised that this is not a serious crisis and that the issues are not clear. Consequently, all other arguments which do not take this basic alternative into consideration are more or less irrelevant. They are skirmishes, skillful perhaps and capable, but they have not joined in the crucial battle and are inconsequential to its outcome.

The prudent, discriminate, and effective use of subsidies is an important part of our fight against inflation, to be employed together with increased taxation, price control, rationing, and the sale of Government bonds to minimize the threatening gap between supply and demand, between the limited quantity of available goods and the increased income to purchase those goods. All these controlling forces have been assailed again and again; of late the assaults have been more determined, more threatening, more insistent. We have reached the critical stage where a break-

through at one point would force a break all along the line. I can see little possibility of an ordered retreat to another strong line of defense. There are no natural barriers to fall back on nor any prepared line of defense ready to withstand the assault, particularly when it has gained impetus. The forces which threaten the line have deliberately whetted their appetites; in fact, they remind us of Shakespeare's phrase, "As if increase of appetite grew by what it fed on."

It may be vain to point out the alternative. It may be that the opponents of subsidies have realized the consequences which will result. It may be that they anticipate a break in the stabilization line and are determined to be in the front if the break occurs, "Let the devil take the hindmost." I greatly fear that he will, for he can appear in many different guises. But the alternative remains clear in my mind. Not that I would resign myself to chaos if this line is broken. We fight with all our resources against disorder and breakdown. But the fight is dangerously close to being futile once the race is begun.

Mr. WOLCOTT. I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

(Mr. GAVIN asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. GAVIN. Mr. Chairman, next year's program of drilling wells, as drawn up by the Petroleum Administration for War, is 24,000 wells. This was stated recently by the Director of Production of P. A. W.

The division as to kinds of wells is 5,000 wildcats and 19,000 development wells in fields already found.

That is the program. I believe it will fall far short of being carried out unless there is an improvement in the price of oil great enough to justify the increased drilling. It is a considerable increase that is called for. It is about 7,000 more than will be drilled this year and, as to the 5,000 wildcats on the program, it is about 1,600 more than will be completed this year. The Petroleum Administrator early in 1943 made a plea for at least 4,500 wildcats and the number that actually will have been drilled when the year closes will be about 3,400.

So, the projected program of drilling for next year is on order. It is a program that reflects the necessity of the case, but the essential thing that would make it possible is being ignored. Manpower, materials and equipment, they assure us, will be available—everything except money. The oil producers want to drill and to supply the Nation's oil needs. They know the places to drill and they know how to make old wells produce more, but merely knowing how will not add a barrel to the supply. It takes money to put the knowledge into operation. The oil producer does not have the money.

This was recognized by the Director of Economic Stabilization in turning down the general price advance repeatedly recommended by the Petroleum Administrator, numerous committees of this Congress, all elements of the oil industry,

and the State officials who deal with oil problems every day of their lives. The Director of Economic Stabilization made one decision, that no price increase was needed, then admitted that the industry is not getting in enough money to increase its efforts when he told the Petroleum Administrator to invent some kind of a subsidy program for wildcatting and for the preservation of the stripper wells.

There is no plan, no authority and no money for any such scheme. The Petroleum Administrator, who has previously condemned such subterfuges and evasions of a simple issue, said in a Chicago speech on November 11:

Obviously, an attempt to invent such plan or program is the next step.

Note the words, "attempt" and "invent." That sounds as though he does not believe in the scheme any more than he did last summer when he wrote to Prentiss Brown on the subject.

He will attempt to invent a plan. There is no plan and nobody has even a foggy notion of how to make one. The oilmen and all those others I have mentioned have a plan. It is simple and self-executing. Raise the price. That has always worked. That is how they found the oil for the other World War. Nobody was around then proposing any game of trading financial moonbeans for oil rainbows. The producer was allowed a price that would let him pay for the extra drilling he was asked to do.

Who knows what this vague scheme of incentives would cost? Nobody knows. They have kept on yelling over at the O. P. A. and at the Office of Economic Stabilization that a price increase of 35 cents a barrel for crude oil would cost the Nation a half billion dollars. Still, they blandly propose something that could not cost any less. Last year, again quoting the Director of Production of the P. A. W., it cost \$308,000,000 in discovery costs alone. For next year's program, it is recommended that 2,000 more wildcats be drilled than in 1942, so add two-thirds on the discovery bill, for the 1942 program was 3,000 wildcat wells. Already, you cross the half-billion dollar mark. If this money is to come out of the Federal Treasury, where is the economy to the consumer who gets the bill in taxes? True, some part of the program would be paid by industry itself, but there probably would be enough of it added to the debt, plus the relief for stripper wells, to match the figure they assume the Nation would pay by direct price increase.

The important thing about a price increase is that it would work and get results, and a subsidy would bog down in the same swamp of bureaucratic delays, red tape, and vacillations as the rest of their programs already have. Look at their performances in other lines and judge whether you want them to bungle around any longer with this vital question of oil supply.

Last Tuesday, the Honorable WRIGHT PATMAN, the distinguished Member from Texas, spoke at some length in support of subsidies. In the discussion which attended his remarks, the Honorable GER-

ALD W. LANDIS, of Indiana, asked this question:

Is the gentleman in favor of subsidies on oil?

To which the gentleman from Texas [Mr. PATMAN] replied:

I am in favor of subsidies on anything that will encourage production without increasing the cost of living. You see, we have to have some kind of standard or guide to go by. I ask the gentleman now, and I ask any person present here, if he can name any way on earth that you can hold down the cost of living and encourage production without the use of a subsidy. I yield to any person who says he has a plan.

He thus gave his approval to subsidies in the oil industry. Yet, in an interim report of the Committee on Small Business, of which the gentleman from Texas [Mr. PATMAN] is chairman, under date of May 10, 1942, the following conclusion was stated:

That subsidies and bonuses are untried in the oil industry and unworkable and undesirable for the general purposes now needed.

I do not know which of the gentleman's views to accept as being his firm opinion. I know what the men of experience, the doers, and not the theorists think of subsidies. They are in entire agreement with the expression of the Small Business Committee, which I have quoted.

We will not drill the number of wells which the Petroleum Administrator recommends in 1944 under the present price, nor will we maintain the small wells of the Nation in production. These wells produce 15 percent of today's supply of oil in this country. They are dying every day, and thousands have been sold to the salvage dealers this year. Each one that goes takes away some quantity of oil from the Nation's supply. The production from a single well which produces but 1 barrel a day supplies the gasoline for 50 A-card consumers in the East, besides the other products which come from oil.

The need is for more oil. It must come from fields yet to be discovered and from those now producing. Supply can be increased from both sources, but not under this price or through some weird and complicated system of subsidies or bonuses.

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3477, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made previously today.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I also ask unanimous consent to extend my remarks by including a statement by Mr. J. B. Hudson, president of the Commodity Credit Corporation, and Dr. O. C. Stein, of the E. A. E.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks on two separate subjects and to include therein letters written by me and letters addressed to me.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROWAN. Mr. Speaker, in connection with the Lea aviation bill, H. R. 3420, I desire to extend my remarks and include a telegram, a letter, and an editorial from the Chicago Daily News entitled "The Lea Bill."

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JOHNSON, of Indiana, for November 19, 1943, on account of official business.

To Mr. O'LEARY, of New York (at the request of Mr. DICKSTEIN) indefinitely, on account of illness.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p. m.), the House, pursuant to its order heretofore entered, adjourned until tomorrow, Friday, November 19, 1943, at 11 o'clock, a. m.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

(Friday, November 19, 1943)

The Committee on Foreign Affairs will begin public hearings on Friday, November 19, 1943, at 10:30 a. m., on House Resolutions 350 and 352, providing for the establishment by the Executive of a commission to effectuate the rescue of the Jewish people of Europe.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOUGHTON: Committee on Ways and Means. H. R. 3687. A bill to provide revenues, and for other purposes; without amendment (Rept. No. 871). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 3270. A bill to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business; with amendment (Rept. No. 873). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON:

H. R. 3687. A bill to provide revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. FAY:

H. R. 3688. A bill to change the name of "watchman" in the Postal Service to that of "post-office guard"; to the Committee on the Post Office and Post Roads.

H. R. 3689. A bill to provide 6 months' pay to all honorably discharged veterans of World War No. 2; to the Committee on Military Affairs.

By Mr. HOBBS:

H. R. 3690. A bill to safeguard the admission of evidence in certain cases; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. R. 3691. A bill to permit the construction, maintenance, and use of certain pipe lines for steam-heating purposes in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SATTERFIELD:

H. R. 3692. A bill to provide for National Guard and Reserve officers, who have served in two wars and have reached the age of retirement while in active service, the same pay and allowances as are applicable to officers of the Regular Army upon retirement; to the Committee on Military Affairs.

By Mr. CANNON of Missouri:

H. R. 3693. A bill to aid in the stabilization program and the war effort by paid newspaper advertising in connection with the sale of United States bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. JARMAN:

H. Con. Res. 57. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives, current session, on the bill 3687, Revenue Act of 1943; to the Committee on Printing.

By Mr. LANHAM:

H. Res. 358. Resolution to establish an Office of Fiscal Investigations as an agency of the House of Representatives; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FORAND:

H. R. 3694. A bill for the relief of Charles Myers; to the Committee on Naval Affairs.

By Mr. CURLEY:

H. R. 3695. A bill for the relief of the estate of Thomas Shea, deceased; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3616. By Mr. Schiffer: Petition of Jicsep Consalvo and other citizens of Follansbee,

W. Va., opposing House bill 2082; to the Committee on the Judiciary.

3617. By Mr. CASE: Petition of J. M. Tucker and 50 other residents of Edgemont, S. Dak., urging prohibition for the duration of the war, or at least a rationing of liquor to avoid the use of essential food and materials in liquor manufacture and distribution; to the Committee on the Judiciary.

3618. Also, petition of Mrs. Wayne Morrison and 117 other residents of Sturgis, S. Dak., urging the enactment of House bill 2082, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

3619. By Mr. STEFAN: Petition of Charles H. Foe and 17 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3620. Also, petition of Mabel Stevens and 34 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3621. Also, petition of Arthur W. Larson and 19 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3622. Also, petition of Josephine R. Lindburg and 36 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3623. By Mr. SMITH of West Virginia: Petition of the Boyd Memorial Sunday School and Randolph Street Advent Sunday School members, Charleston, W. Va., urging the passage of House bill 2082, the Bryson bill; to the Committee on the Judiciary.

3624. Also, petition of Mrs. C. A. Sinnett and other citizens of North Charleston, W. Va., urging the passage of House bill 2082, introduced by Hon. JOSEPH R. BRYSON, of

South Carolina; to the Committee on the Judiciary.

3625. By Mr. GRIFFITHS: Petition of sundry citizens of Licking Township, Muskingum County, Ohio, supporting Senate bill 860 which would give legal protection from the traffic in all alcoholic beverages and from commercialized prostitution in and around Army training camps and all military and naval centers; to the Committee on the Judiciary.

3626. By Mr. COCHRAN: Petition of George Boswell and 18 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3627. Also, petition of Victor Marino and 35 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3628. Also, petition of C. S. Lawton and 22 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3629. Also, petition of the Krey Packing Co. and signed by 95 St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3630. Also, petition of the Mayfair Hotel and signed by 60 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3631. By Mr. FORAND: Petition of Guyan Mills, Inc., Valley Falls, R. I., and employees, protesting against the statutory increases in rate of the Federal old-age and

survivors insurance tax effective January 1, 1944, and requesting the Congress to freeze this rate at 1 percent for the duration of the emergency, because various and sundry taxes are already extremely burdensome, and this particular tax will double the income from this source, which is already ample for the purpose intended; to the Committee on Ways and Means.

3632. By Mr. CASE: Petition of Mrs. Hiram Crow and 67 other members of Townsend Club, No. 1, of Lemmon, S. Dak., urging support of House bill 1649, the Townsend bill; to the Committee on Ways and Means.

3633. Also, petition of Mamie B. Long and 11 other members of the Townsend Club of Martin, S. Dak., urging support of the Townsend plan and House bill 1649; to the Committee on Ways and Means.

3634. Also, petition of Harry C. Burntrager, adjutant, Captain Jack Foster Camp, No. 3, United Spanish War Veterans, Department of South Dakota, at Hot Springs, S. Dak., and other citizens of Hot Springs, requesting favorable consideration by the House of Representatives on House bill 2350, the Buckley bill; to the Committee on Pensions.

3635. By Mr. McCOWEN: Petitions signed by 443 persons of Clermont, Brown, Scioto, Adams, and Highland Counties, Ohio, urging passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3636. By Mr. HOLMES of Washington: Petition of sundry citizens of Prosser, Wash., urging enactment of House bill 2082, to bring about a suspension of the alcoholic-beverage industry for the duration of the war; to the Committee on the Judiciary.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued November 20, 1943, for actions of Friday, November 19, 1943)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT; SUBSIDIES. Concluded general debate on H. R. 3477, the Commodity Credit bill (pp. 9823-84).

Rep. Burdick, N. Dak., spoke favoring subsidies and stated that "the farmer is not yet getting the cost of production" (pp. 9826-27). Rep. Sumner, Ill., stated that subsidies will increase the debt spiral and urged price control on essential commodities only, stating that prices on luxuries can help pay for the war (pp. 9831-32). Rep. Andresen, Minn., stated that "the subsidy plus other restrictions...have resulted in a decrease in the production of butter" (pp. 9833-34). Rep. Patman, Tex., spoke in favor of subsidies and criticized the CCC bill which the President vetoed (pp. 9843-45). Rep. O'Connor, Mont., stated that "the present program is entirely unsatisfactory" but that subsidies have "saved money" (pp. 9845-47). Rep. Poage, Tex., criticized subsidies and inserted several tables on food, cost of living, and subsidy costs (pp. 9848-51). Rep. Baldwin, Md., criticized OPA administration of price control and spoke favoring producer subsidies (pp. 9851-52). Rep. Jensen, Iowa, inserted Mr. Hopley's (Iowa Beef Producers' Association) testimony before the Senate Agriculture and Forestry Committee urging cost-of-production farm prices (pp. 9852-53). Rep. Anderson, N. Mex., spoke opposing subsidies and inserted tables from this Department showing dairy feed and labor costs (pp. 9863-65). Reps. Talle, Iowa (pp. 9835-37), Gathings, Ark. (pp. 9871-72), Kean, N. J. (pp. 9827-28), Rizley, Okla. (pp. 9859-62), and Mahon, Tex. (pp. 9869-70), criticized consumer subsidies.

Reps. Brown, Ga. (pp. 9876-79) Monroney, Okla. (p. 9829-31), Wright, Pa. (pp. 9832-34), Hays, Ark. (pp. 9834-35), Barry, N. Y. (pp. 9838-39), Madden, Ind. (pp. 9868-69), Holifield, Calif. (pp. 9879-80), Patman, Tex. (pp. 9843-45), D'Alesandro, Md. (p. 9869), Lynch, N. Y. (pp. 9847-48), Morrison, N. C. (pp. 9872-73), Sadowski, Mich. (pp. 9855-56), and Capozzoli, N. Y. (pp. 9856-57) spoke favoring subsidies.

Reps. Gifford, Mass. (pp. 9823-26), Plumley, Vt. (pp. 9828-29), Ditter, Pa. (pp. 9865-66), Bell, Mo. (pp. 9833-40), Fellows, Me. (p. 9866), Gibson, Ga. (pp. 9840-41), Dirksen, Ill. (pp. 9866-68), Woodruff, Mich. (pp. 9841-42), Gwynne, Iowa (pp. 9874-75), Poage, Tex. (p. 9848), Slaughter, Mo. (p. 9863), Miller, Conn. (pp. 9880-81), Hope, Kans. (pp. 9873-74), Dondero, Mich. (p. 9854), Lemke, N. Dak. (pp. 9881-82), Kleberg, Kans. (pp. 9857-58), and Southoff, Mich. (pp. 9882-83) criticized subsidies.

2. TAXATION; PURCHASING; TRAVEL. H. R. 3687, the tax bill, (see Digest 178) terminates tax exemptions on certain Government communications, facilities, equipment, and transportation, authorizing appropriations for the payment of such taxes; provides that beginning Mar. 1, 1944, the tax paid by the U. S. for travel shall be paid only out of funds specifically appropriated for that purpose; requires each U. S. disbursing officer to report to GAO (who, in turn, must report to Congress) on each payment of the travel tax and the name of each civilian with respect to whom any such payment was made, the dates of such travel, the destination points, and the travel and subsistence expenses; and exempts agricultural commodities, intra-Government contracts, and inter-Government contracts from the provisions for renegotiation of war contracts.

3. RATIONING. Rep. O'Connor, Mont., inserted a Bozeman, Mont., C of C telegram favoring point-free pork for 2 months in order to relieve the "congested and stagnant condition" of livestock markets (p. 9822).
Rep. Gross, Pa., discussed the hog situation stating, "There is no one to buy" the pork (p. 9882).

4. PUBLIC LANDS. Received the Joint (Byrd) Committee on Reduction of Nonessential Federal Expenditures' report favoring disposition of surplus Government real estate and centralization of land acquisition, recording, and disposition. To Ways and Means Committee. (p. 9887)

5. RESEARCH. Received an American Institute of Consulting Engineers' petition opposing S. 702 and H. R. 2100, to establish an Office of Scientific and Technical Mobilization (p. 9888).

6. ADJOURNED until Mon., Nov. 22 (p. 9887).

SENATE

NOT IN SESSION. Next meeting Mon., Nov. 22.

BILLS INTRODUCED

7. SABOTAGE. By Rep. Schiffler, W. Va., H. R. 3696, to authorize the seizure of "certain property which is being used, or which is about to be used, to aid a nation at war with the U. S. To Interstate and Foreign Commerce Committee. (p. 9887.)

8. PERSONNEL; RETIREMENT. By Rep. Tolan, Calif., H. R. 3699, to provide that credit under the Civil Service Retirement Act shall be allowed for "certain service with the city of Manila, P. I. To Civil Service Committee. (p. 9887.)

ITEMS IN APPENDIX

9. SUBSIDIES. Speech in the House by Rep. Landis, Ind. opposing food subsidies (p. A5330).

Rep. Gathings, Ark., inserted a constituent's letter opposing food subsidies (pp. A5331-32).

Rep. Wright, Pa., inserted Chester Bowles' radio address describing subsidies functions (pp. A5332-33).

Rep. Gayin, Pa., inserted D. H. Butler's report describing "Subsidies in British and Canadian Price Control" (p. A5334-35).

Rep. Cunningham, Iowa., inserted a constituent's letter opposing subsidies (pp. A5337-38).

COMMODITY CREDIT CORPORATION

Mr. BROWN of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3477, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

(Mr. GIFFORD asked and was given permission to revise, and extend his remarks in the RECORD.)

Mr. GIFFORD. Mr. Chairman, a moment of recapitulation. On yesterday the leader of the majority side took the floor. He began the debate, and I assume as in former days he will want the floor to close debate. I admire him greatly. He has been a friend of mine for many, many long years. He gives me credit, I am sure—I have heard him say it—for being intellectually honest, and he is just that. But I want to complain of his viewpoint.

My friend, Dr. George B. Galloway, of the American Political Science Association, recently furnished me with many criticisms of the Congress and many suggestions for reform in our procedure. I quote from one of his articles: "In recent years, moreover, majority party leaders have tended to become managers for the President rather than spokesmen for the Congress." Many times have I bewailed this fact. It is greatly in evidence in this debate. This condition must be changed. I will repeat this indictment as often as appears necessary. Let the leader of the majority tell the White House what the people here whom he leads think and will do about legislative matters. But when the lights are turned on at the White House, it seems to show the way to the leaders, who yield to that personal charm of which we often hear. They then attempt not to lead you, but to drive you. Your leader well knows today how the great majority of this House feels, and probably the majority of his own party. To drive a mule successfully it is better to find out how the mule wants to go, then go with him.

Further, our respected leader on yesterday harked back, as he often does, to those dark days of 1933. He finds himself today in a very hard position. He will not even support the chairman of this committee, which is very unusual. But he harks back, as so many others do, to 1933. I give him this poem for his edification. Some of you may wish to use it.

There was a dachshund,
Once so long he hadn't any notion
How long it took to tell his tail of his
emotion.
So when his little eyes were filled with sadness
His little tail went wagging on because of
previous gladness.

Just read the RECORD of yesterday and the answer of the gentleman from Michigan [Mr. CRAWFORD]. It devastates our leader's argument about inflation. It was highly informative. There now seems to be nothing left but a political inference. The inflation bogey in this instance now fails to affright the House.

I have here, I think, all of the speeches of recent days made by the gentleman from Texas [Mr. PATMAN]. It is very tedious to go through them. He is a great friend of mine, really. We differ, but I am sure we respect each other. I admire him greatly for his stubbornness of opinion. It is sometimes good to be stubborn. I was pleased yesterday when he told his colleague the gentleman from Texas [Mr. SUMNERS] that he [Mr. SUMNERS] was generally right, and he [Mr. PATMAN] was generally wrong. Well, I fear that he is generally wrong. But that does not discourage him. I have tried to read through most of these speeches, but, as the gentleman from Michigan [Mr. MICHENER] said on yesterday, they reiterate much. If we keep repeating a philosophy, we are bound to get some to agree with us, but we will have many more who find it so tiresome that they disagree. Too much heat in a discussion rouses suspicion that we simply whistle to keep up our courage. A letter reached his desk yesterday from one of my constituents, who wrote him that he had listened to Fulton Lewis and had almost been convinced, and now, after listening to the gentleman from Texas [Mr. PATMAN], he was thoroughly convinced Mr. Lewis was right. As I said a day or two ago, keep it up. Attack JOE MARTIN all you want. It is so extremely helpful to us.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Indeed, I desire to yield.

Mr. McCORMACK. Of course, the gentleman has always been consistent.

Mr. GIFFORD. No. Consistency? What a word. "Consistency is the hobgoblin of little minds, of little statesmen, philosophers, and divines."

Mr. McCORMACK. I recall once that a distinguished Member of this body whom I admire very, very much, a dear friend of mine, made a speech against the wage-and-hour law, and in the next day or two he flopped over and made a speech for it.

Mr. GIFFORD. It could not have been I, for I supported that from the first. But that person need only say to you "I am wiser today than I was yesterday."

Mr. McCORMACK. I did not say it was the gentleman from Massachusetts, but perhaps the gentleman has a guilty conscience.

Mr. GIFFORD. Oh, no. Consistency? I have not too much love for it. Hide behind that theory? I would not hide behind that for a minute. If I thought I ought to change my mind—since the gentleman talks about intellectual honesty—I would change it, yes. We stray very often. We cannot always be consistent, as many judge us. Each problem has its different conditions to consider.

We have heard much about the hold-the-line order and the courage of the

President. I visualize John L. Lewis, with merry, squinting eyes, indulging in a horse laugh at that suggestion. Do not tell John L. Lewis the President had the courage to hold the line. Do not tell me that, either.

The gentleman from Texas begs the gentleman from Michigan to tell him what program he would suggest, and he denies that he replied to him. The gentleman from Michigan [Mr. WOLCOTT] on yesterday read the law that Congress passed. He suggested that there be no more subterfuge but to act according to the law of Congress. The answer and the remedy was and is "Follow the law." Now about this hold-the-line order—

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I certainly will.

Mr. PATMAN. The gentleman says it was answered perfectly. I ask the gentleman if he can answer it or if the gentleman did answer it perfectly. The challenge was to suggest anyway, without increasing prices, to encourage production without a subsidy.

Mr. GIFFORD. You have had your answer. Have a fair, proper price and hold the line there. A producer's subsidy is often necessary. Again, hold your arguments to consumer's subsidy.

Mr. PATMAN. A subsidy is the only way. The gentleman cannot suggest another way.

Mr. GIFFORD. You have the answer. We are now attempting to see to it that subterfuges are abandoned. The gentleman keeps saying over the radio and here, that in this bill we do away with the support prices. He has said that over and over again. The report accompanying this bill distinctly assures us that we do not interfere with support prices, but rather demand their continuance.

Mr. PATMAN. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. The gentleman from Michigan showed that. The gentleman should not misrepresent things like that.

Mr. PATMAN. The gentleman is misrepresenting it.

Mr. GIFFORD. Not at all.

Mr. PATMAN. In that provision you require the maximum price to be the same as the support price. Why not try it? It will not work. Marvin Jones says that it will not work.

Mr. GIFFORD. The support prices could not be below the parity prices. What is the use of arguing. This was all clearly stated yesterday by the gentleman from Michigan [Mr. WOLCOTT]. The gentleman from Texas can read that speech. Even he will be convinced. The gentleman from Texas states and reiterates that this bill is politics. His policy that he is defending definitely is politics. When did anything emanate during the last 10 years from the White House that was not carefully considered as to its political value or injury? He is now seemingly catering to the only class whose votes he still hopes to retain.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. DILWEG. I believe that the gentleman does not want to misquote the law, but I think he said that the support

price could not be below the parity price. Where in this law is there any such provision?

Mr. GIFFORD. The law is right there. The gentleman from Michigan has it, and he read it. The gentleman should read that speech. I trust I am not in error.

Mr. DILWEG. I am asking the gentleman a question.

Mr. GIFFORD. I say it is there because the gentleman from Michigan said it was there. That gentleman knows. The gentleman from Texas [Mr. PATMAN] says that the gentleman from Michigan [Mr. Wolcott] knows more than anybody else about this matter. He certainly does in my estimation also.

Mr. DILWEG. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. Yes.

Mr. DILWEG. I believe that what the gentleman intends to say is that the support price would not be below the ceiling price, and not parity.

Mr. GIFFORD. Parity.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. GORE. I think the gentleman is vastly mistaken. I believe he means to say 90 percent of parity, rather than parity.

Mr. GIFFORD. Very well. In matters of the complex parity question make any claim or statement you may desire. But do not put another tree of detail before me so that I cannot see the forest of what I am trying to describe. The law has been sufficiently set out. All can read the law. I am trying to look at the general picture, especially the results now obtained. Subsidies? Of course, I believe in subsidies. Is that being inconsistent? Subsidy means simply a grant from the Federal Government to private industry when it is supposed to be beneficial to the public. We have always had subsidies, and we always will. But there are many animals that I like and many that I do not like. But they are all animals, skunks among the rest. Who does not believe in subsidies when reasonable and desirable? They are indeed necessary at times of haste in preparation for defense. You talk about subsidies in New England. When the Government suddenly takes all of the shipping away from New England, so that we cannot get coal or oil, then the Government should see to it that other compensatory methods are employed for their delivery—quite a different reason for quite a different subsidy. This bill does not have anything to do with that kind of subsidy. This is limited to food subsidies. The gentleman from Texas even talks about the League of Nations and the Republican conspiracy of many years ago to bulwark his argument on subsidies. He went so far afield that it discloses the weakness of his contentions. He says something about fats and oils having special treatment in this bill. These products, like aluminum, were and are needed to make the ammunition for war, and we had to get them no matter what prices or subsidies were paid for them. That is a highly different class of subsidy than these con-

sumer class of subsidies under discussion.

We are objecting to the subterfuges indulged in by the Administration to bypass this body. We have become tired of being bypassed. Should I get the ax for what the administration is doing against the full intent of laws passed by Congress? Our constituents blame us for these things. These bureaucrats thirst for power as a leech thirsts for blood. Their itch for power and the continuation of this administration is overwhelming them. Their success thus far in bypassing Congress in wartime has whetted their appetite. The President must look upon us with disgust and disdain in that he so easily outgeneraled us. How cowardly we have been in letting him do it. He does many things and then simply reports, "fait accompli." It is done and we must approve it, to save the face of the United States Government. Now, he thought he could bypass us in the consumer-subsidy matter. But the farmers all over this land of ours are aroused and enraged. They have had their medicine. They have had snoopers enough. They have had questionnaires enough. They know that if they want this bounty, they will have to keep their books, and swear to the answers to all of the questions the investigator wants to ask, even to the degree of their stomach ache, maybe. They fear all this. All we want is the green light and the red light, but keep your snooping agents away from us, asking questions that are none of their business. We do not belong to a government of people who want to be regimented that way. The farmer well knows this is another attempt to regiment and socialize him; also that a subsidy will not suffice to cure his condition. "Hold the line." Make a rule and hide behind it. Keep it rigid. How foolish, when, of course, it could not be done without all sorts of exceptions. Hold the line as best and reasonably as you can is far different. But John L. Lewis broke the line and made a very large hole in it, large enough for the labor army to enter. Hold the line, rigid, just when the adjustments of many things were in process and vitally necessary. Just because some need to be checked, all must suffer, even to the point of collapse of their businesses.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. FITZPATRICK. A few years ago the gentleman was fighting for a subsidy for the fishing interests in his district.

Mr. GIFFORD. Was I?

Mr. FITZPATRICK. Yes, sir.

Mr. GIFFORD. I do not recall that.

Mr. FITZPATRICK. You do not recall that?

Mr. FITZPATRICK. It involved a couple of million dollars that you wanted to help out the fishing interests up there and you took the floor here and made a speech for it.

Mr. GIFFORD. Perhaps the gentleman may be mistaken. Anyway, I am sometimes like you fellows; sometimes I have a convenient memory.

Mr. FITZPATRICK. Oh, no.

Mr. GIFFORD. No.

Mr. GIFFORD. Perhaps I ought not to recall it. So seldom do our fishing boys get anything.

Mr. FITZPATRICK. The gentleman from Massachusetts [Mr. McCormack] was very much interested, and you and other delegations, both Democrats and Republicans.

Mr. GIFFORD. Did we get it?

Mr. FITZPATRICK. Yes; you got part of it.

Mr. McCormack. Yes. I introduced a bill and we got an appropriation first of \$1,000,000, and then we got more.

Mr. GIFFORD. Well, that is right. The gentleman from Massachusetts [Mr. McCormack] takes all the credit. But I told you I liked some subsidies, did I not? I am glad to be reminded of that. I can now really have something to remind my fishermen of next year and can claim a part of Mr. McCormack's share of the credit. Fishermen have had a hard time. They are an independent group. They are and will be up against harder times under O. P. A. treatment. When the O. P. A. held a meeting with the fishermen in my city they soon learned how the fishermen regarded them. They walked out of the hall, saying, "to hell with the O. P. A." You cannot regiment my fishermen. Do not try it. The farmers are now awake and joined up.

Mr. HILL. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. HILL. I am interested in subsidies, too. We grow beets. I ask you because I know nothing about it whatever, but was not that fishery appropriation a producer subsidy?

Mr. GIFFORD. Of course.

Mr. HILL. I am asking you.

Mr. GIFFORD. I thought it wise not to enlarge upon it at the moment.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WOLCOTT. I remember quite distinctly, when we made provision that the fishing industry would be exempt, the argument was made on both sides of this chamber that the fishing boats would not go out from Gloucester or anywhere else to catch fish to feed the people unless we paid a subsidy. So, it is very obviously, a producer subsidy, to obtain the maximum amount of production.

Mr. GIFFORD. I thank the gentleman. I am rescued. It was not wise for me to prolong discussion of that matter.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. GIFFORD. I yield to the future Senator.

Mr. MORRISON of North Carolina. This bill does not carry any subsidy, does it? The provision in controversy simply denies the President the right to use any of the funds appropriated by this bill or others, to use a subsidy, if he decides to do so?

Mr. GIFFORD. Contrary to law. It is a producer subsidy that we are willing to have; and not a consumer subsidy.

Mr. MORRISON of North Carolina. What is the good of inserting this if the

law does not now permit him to use subsidies when he thinks it is wise?

Mr. GIFFORD. Just to call his attention to the fact that he has not properly interpreted the law and the intent of Congress.

Mr. MORRISON of North Carolina. And that is the only purpose, I would judge, of the bill, to try to make the President behave himself?

Mr. GIFFORD. Well, yes; put it that way.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. WOLCOTT. I yield the gentleman 5 additional minutes.

Mr. GIFFORD. I thank the gentleman. I desire to make a better ending. I have much material here yet for discussion. Must we pass many laws, designed to curb the President in his own interpretation of them? Small wonder that the bureaus are assuming to themselves power that we did not have any notion of granting them, noting the success of the administration in multiplying personnel and activities.

Mr. MORRISON of North Carolina. Will the gentleman yield further?

Mr. GIFFORD. I yield.

Mr. MORRISON of North Carolina. Is that not a matter for the Department of Justice to deal with, instead of a legislative body?

Mr. GIFFORD. I cannot imagine the Department of Justice arresting the present chauffeur. Only the people can arrest him. The judges are appointed by the Executive.

Mr. MORRISON of North Carolina. Does the gentleman think the courts of the United States are creatures of this great President that is so disturbing him?

Mr. GIFFORD. Well, he has appointed most of them.

Mr. MORRISON of North Carolina. To the courts?

Mr. GIFFORD. I want to be careful what I say about that. I cannot allow you to bait me further along that line.

Mr. MORRISON of North Carolina. I would.

Mr. GIFFORD. I have great respect for judges, but not always for their opinions.

Mr. MORRISON of North Carolina. What I am trying to get clear is this, that this is a negative act, controlling the will of the President, under what is claimed to be the law, and prevents his using any of the money appropriated to any agency for the purpose of giving a subsidy to keep down prices, or any other purpose?

Mr. GIFFORD. Well, put it that way, if you desire. But, keep in mind that this is a consumer subsidy problem. We are not preventing floor prices, support prices, or even producer subsidies, even if the line of demarcation is sometimes a little confusing.

Mr. MORRISON of North Carolina. That is the same thing. That is the only purpose of this controverted provision.

Mr. GIFFORD. Well, its purpose is to tell the President which road he shall

travel, and not travel the road of subterfuge. Again Congress is asserting its right. It will take a two-thirds vote to recover this right. This is a lesson that we be cautious in our grants to the Executive in the future. When the R. F. C. is called upon to spend millions and millions of dollars to roll back prices, we hesitate to believe that to be a proper interpretation of any law yet passed by Congress. Think of the billions that could be available to the whim of the Executive. Shall we stop it or not?

Mr. MORRISON of North Carolina. I love the gentleman so much that when he looks at me like he did then, I feel like sitting down and quitting.

Mr. GIFFORD. Once before I had to explain, "My face, I don't mind it, for I am behind it! It is you out in front that I jar." I do look ugly at times and greatly deplore it.

Mr. MORRISON of North Carolina. What I am driving at is this: You say they are to follow the law. I do not think they are. That is a difference of opinion, but the purpose of this controverted provision in this act is to deny the President, or any agency of this Government the right to use appropriations heretofore made, and appropriations made by this bill, as subsidies to control consumer prices?

Mr. GIFFORD. We will try to make it strong enough this time. Our leaders said on yesterday that we would vote for this bill and then would pray that the veto would not be overridden. In that way we would be saved from ourselves. Well, the President vetoed the antistrike bill. I have thought that he prayed diligently that we would override his veto.

Mr. FORD rose.

Mr. MORRISON of North Carolina. Will the gentleman yield for another question?

Mr. GIFFORD. Just a moment; the gentleman from California is ahead of the gentleman from North Carolina.

Mr. MORRISON of North Carolina. I beg his pardon.

Mr. FORD. The gentleman says he is violating the law. The gentleman voted for the adoption of the price-control bill in 1942, did he not?

Mr. GIFFORD. Yes.

Mr. FORD. And most of the gentleman's colleagues did.

Mr. GIFFORD. Yes.

Mr. FORD. It carried overwhelmingly.

Mr. GIFFORD. We took 3 months considering it and the officials knew right well how the committee interpreted it.

Mr. FORD. All right; let me ask the gentleman this question: Did we not direct the President in that bill to stabilize prices, to hold prices?

Mr. GIFFORD. Only as best he could. We said nothing about "holding the line, hell or high water." The gentleman knows the terms of the law as well as I do.

Mr. FORD. Of course I do.

Mr. GIFFORD. If farmers need a cent a quart more on milk to meet cost of production, give it to them. That does not mean a 10 percent rise in the cost of living, nor does it mean, as the gentle-

man from Texas [Mr. PATMAN] said, a 10-times increase. We hold the line at the new prices determined as necessary for production.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Massachusetts.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MORRISON of North Carolina. Does not the gentleman think that if the President believes a law should be vetoed, under his oath of office and under the Constitution of the United States it becomes the President's duty to veto it?

Mr. GIFFORD. But there are cases where perhaps he might feel pleased if it passed after he vetoed it. He may satisfy his conscience and feel that his duty ended there. But this President has "Dutch" in him and he will persevere. I may say that I think our President has a political mind and that he weighs the political results of all these policies and measures. He seems to know where the votes left to him are and is catering to them. This is my own opinion. It seems to me that this is why he wants a consumer subsidy. Does it matter to him what the great majority of the people and their elected Representatives may desire? It seems not, and this attitude will be proven if this act receives his veto. The people are terribly tired of his attitude of "Mother knows best."

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. FORD].

Mr. FORD. Mr. Chairman, following the debate that has so far taken place on this bill I can come to no other conclusion than while this has been called an antisubsidy bill it looks to me as though it were developing into a piece of rotten class legislation; rotten because it picks out a certain class, the farmer, and says that he shall have subsidies, he shall have support prices, he shall have incentive prices, he shall have any other kind of price up to a certain amount of parity or more, but no consumer regardless of where the prices go shall be permitted to have a subsidy that might enable him to live: Take the 15,000,000 white-collar people down below who have not had any raises and let them start paying 90 cents a pound for butter, 90 cents a pound for beef, 60 cents a pound for pork, 25 cents a quart for milk, and 25 cents a loaf for bread and some of you boys will hunt for the fox holes when it comes next election time; I will tell you that.

Mr. SADOWSKI. Or \$5 for a chicken as we paid during the last war. Do you remember that?

Mr. FORD. Probably; yes.

Mr. SADOWSKI. Five dollars for one chicken.

Mr. FORD. Mr. Chairman, it is my purpose to confine my remarks to section 3 of the pending bill.

This section purports to abolish all subsidies in the following brave words:

SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof.

Mr. Chairman, the language there is clear to barring subsidies and I never saw anything more direct than that.

Of course there is a reprieve of the subsidy principle to December 31, 1943. Then follows a lot of verbiage about maximum prices not being established below support prices, said support prices not being subsidies only because they are not called subsidies.

But, after all these brave words about abolishing subsidies, on page 5, line 23, we read these weasel words:

Provided further, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oilseed.

Of course, soybeans, peanuts, and cottonseed, at least, the last two products, are important crops in Alabama and other adjacent States.

So, my friends, we have a bill that abolishes subsidies for the consumer, but continues subsidies for the farmer. Of course what the farmer is to get is not called a subsidy. It bears various camouflage names. Sometimes it takes the form of a loan, at other times parity payment. Or it may be called soil conservation, support-price payment or incentive payments.

But all these payments have one common characteristic. They are all paid out of the Treasury of the United States. So we have the \$64 question, "When is a subsidy not a subsidy?" It is not a subsidy when Congress in its wisdom calls it, for political expediency, something else.

So we have section 3 of this bill masquerading as a section to abolish subsidies. To me it is a back-scratching, log-rolling piece of political chicanery, in other words a legislative fraud, which by trick and device purports to abolish subsidies on the one hand while establishing them on the other.

I am just wondering what farmers or farm representatives are thinking about when they get into a stew about subsidies.

Let us just take a look-see. Since 1933, the cotton farmers alone have received in subsidies \$1,350,000,000. Other farmers have received since 1933 approximately \$6,000,000,000 under the name, not of subsidies, but as parity payments, crop-allotment and soil-practice payments. Every dollar of the money came from the Treasury.

When we read this record of subsidies in one form or another, amounting in the aggregate to so many billions of dollars, is it any wonder if we nonfarmers

fail to understand this new-born rugged individualism of the farmer, who, for 10 years, has been the recipient of the Treasury's bounty.

I would also like to call your attention to the fact that those who oppose consumer subsidies point out that these subsidies will be paid out of borrowed money and that, therefore, the next generation will be paying the present generation's grocery bill.

Since, however, the money that is still to be paid in subsidies under section 3, under the guise of support prices and incentive payments and all the other camouflaged subsidies that will still remain in force, all comes from the Public Treasury and is, therefore, borrowed money, these sums will also be paid by the next generation.

If this vicious section 3 becomes a law, and the inflation floodgates are opened, as they will be, the billion or two spent for consumer subsidies will not amount to a drop in the bucket. But the misery and disaster that will result will damn this Congress forever.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, so far as the farmer is concerned, the term "subsidy" is a misnomer. It is an undercover attempt to pay the farmer only a part of what he is justly entitled to. The name "subsidy," however, suggests to the general public a means of giving the farmer something in the nature of a special privilege. The farmer is held up to the public mind as one who will not do his fair share in this war effort unless he is paid well for it.

Nothing could be further from the truth. The farmer is not yet getting cost of production. He is selling his normal output at a loss, and this subsidy is an attempt, and probably the only attempt that can be made in this Congress, to even up the loss.

Surely, no one here seriously thinks it would work to let the law of supply and demand set the prices on farm products. With all the idle money lying around, this would mean run-away inflation, and the farmer would be a victim along with all others. So, the objection to subsidies must be an objection to giving the farmer enough additional money to provide him a fair return for his efforts. That, I think, is what the trouble is about. It's the old story about refusing to give the farmer a square deal.

Had this body years ago, 6 years ago, 4 years ago, 2 years ago, or even now, established a cost-of-production program, we wouldn't have all this fuss over giving the farmer a part of what he is justly entitled to. But this body for the last 20 years has failed to adopt such a program. Such a program never became a law. The Congress passed such a measure twice and it was twice vetoed. During the last 9 years, Congress has absolutely ignored any cost-of-production program, and hence we are having all this trouble over many phases of agriculture.

Just to show you how the makeshift price to be given the farmer is arrived

at, let me illustrate how the plan affects wheat, hogs, and beef.

WHEAT

First, the average annual production per county is determined, and if the average is 8 bushels per acre, that fact is used in connection with other facts.

The second fact to be discovered is what has been the historic acreage in wheat on that farm. If that has been 150 acres, we have another fact to use in our formula.

Third, we say to the farmer, cut your acreage 5 percent. On a basis of 150 acres, therefore, the farmer would plant 117½ acres.

Fourth, we say to the farmer, if you do cut your acreage, we will pay you 13 cents per bushel for the average yield on the 32½ acres which you did not plant.

Fifth, the computation now reads that the farmer gets 13 cents per bushel on the 32½ acres at 8 bushels per acre, or \$42.25.

Result—over the same period, the farmer sells 940 bushels at a loss of 20 cents per bushel—a net loss of \$188. Applying the so-called subsidy payment of \$42.25, total net loss, \$145.75.

When, therefore, any move is made to pay the farmer a small part of what he is entitled to, the public flays the farmer from coast to coast for being a grabber and a recipient of special privilege.

Had we adopted the cost-of-production program, all this mathematical and philosophical formula could have been avoided and the farmer's proceeds would be on a par with those in other lines of production.

But Congress has curious mental processes. It refuses the farmer a living price, and right now, during the war, we decide to take away from the farmer what little adjustment we have heretofore made.

This reminds me of a quotation that reads something like this:

For unto everyone that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath. (St. Matthew, xxv: 29.)

In the case of beef, every time a housewife pays 55 cents for steak she condemns the cattle growers. The subsidy on beef cattle only affects slaughter beef. The top price is set at 16 cents per pound, and a subsidy is supposed to take care of the processor. This does not affect 95 percent of the beef cattle, in North Dakota, for the reason that we have feeder cattle instead of finished cattle. At the present time cattle breeders in North Dakota are selling cattle at much less than the cost of production. When cattle arrive at south St. Paul or Chicago from the western area, they are not classed as butcher cattle and the 16 cents limit does not apply. Our growers have to sell their cattle for what they can get, and right now feeder cattle are selling as low as 6½ to 7 cents per pound. There cannot be much logic in the assertion that the subsidy on butcher cattle affects our feeders. A 3-cent spread in price, together with the poundage put on by the feeder is considered a safe transaction. If that held true, feeder cattle

should be bringing at least 10 to 13 cents per pound. The trouble lies, rather, with the price of feed—corn and barley. Feeders are reluctant to buy because they cannot see their way clear to put high-priced feed into unfinished cattle.

What applies to cattle applies to hogs. It takes about 12 bushels of barley to make 100 pounds of pork, and with the price of barley where it is and the price of corn, no one can afford to feed out hogs. The result is that you can buy in North Dakota a trainload of hogs for 4 cents per pound or less.

All the ills of every conceivable nature are charged to the subsidy, but if the subsidy were removed the price to the consumers would instantly rise, without helping the producer of livestock which are not fed out for the markets.

If all this is true—that the farmers who are stockmen are selling for less than the cost of production—how does it come that the farmers of the great Middle West are floating around in money? The fact is that they are not wallowing in wealth. They have debts and mountains of debts accumulated during the 9 years of the Dust Bowl havoc, and to their credit it can be said that they are paying their obligations. Remember another thing—that we have had 3 unprecedented crop years—years where the production was immense. It was no man's fault that we had dry years, and it is to no man's credit that we have had three bounteous crops. That is due entirely to the will of the Almighty.

We will have short crops again, just as we have always had, and where will the farmer be then? Under present farm prices and with the average run of fair and poor crops there would be no farmers, in North Dakota, at least, emerging into independence, but we would have more clients for the Farm Security Administration with no funds voted by Congress to sustain the program.

I want the consuming public to know the truth about the farmers. I want them to know that any subsidy that finds its way back into the pockets of the farmers is a return to them, in part only, of the loss suffered in the sale of agricultural products.

I am of the opinion that all these underhanded payments ought to be cut out but until this Congress provides a law to give the farmer cost of production, how can anyone from the Middle West take away what little the farmer is able to scrape up from the various Government payments?

Some say the farmer is regimented, but one glance at the fields in North Dakota and the kind of farming now practiced cannot help but convince that out of the whole agricultural program has come a better farming system, and better land each year is left for the next year's crop. Through this planned system of farming, the devastating effect of dry years can be checked and in the end the farmer himself and the Nation will be benefited by the program of the Department of Agriculture.

Finally, I cannot agree to take any benefit which the farmer is now getting away from him during the present deadly

conflict. I have made the statement on the floor of this House so often that I have become a bore to some, that food will win this war. We want more production—more and more food: Even if we did intend to cut out all benefits, is this the time to do it? A great many people in this country think this war will soon end, but my judgment is that we are going to have a long and costly war. Many people are already to say what the peace should be when we are a long time away from peace. The farther Germany is driven back to her own territory, the more war will increase in intensity. The Russians are demonstrating what it means to be fighting for their homeland; the Germans will also demonstrate what it means to be fighting for the life of the actual Germany. In my judgment, the side that has the last loaf of bread will win this war. Should we, therefore, in the name of economy, or in the name of anything else, take away from the farmer what few dribbles he gets from the Government while we sit here bluntly refusing the farmer's program of cost of production.

This present Congress will also refuse any adequate appropriation to continue the Farm Security Administration, where thousands of farm families are being resuscitated and then actually paying their way. No more short-sighted policy could be adopted during a time when we need experienced farmers to bring about the success of our men in arms.

It is my considered opinion that if the so-called subsidies are abolished now, the small farmers of the Nation will receive no benefits and at the same time the consuming public will be aroused and wages will automatically have to go on up to meet the cost of living, and a period of general confusion and unrest will ensue at just the time when we should be all working together for a common purpose.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, it is almost universally recognized even by those who are opposed to the present bill that when we install the principle of consumer subsidies we are stepping on dangerous ground. If Congress once records itself in favor of this principle at this time of the country's greatest income, the demand for more and more subsidies will be almost impossible to refuse in times of depression, when incomes are small and people are having real difficulty in meeting their food bills.

If we approve of them now, subsidies will become the demagogue's paradise in future years. "Vote for me and let the Government pay your food bill" will be the cry. Someone must pay the bill ultimately, yes; but hidden taxes are not difficult to levy. There is reminiscent thought in this demand for food subsidies which goes back to the Roman Empire. "Bread and circuses" for the multitude kept the people quiet and kept the Emperor in power.

There has been no denial here that consumer subsidies are inflationary in the long run, and as has been said many times on the floor in the last 2 days, it is

the utmost selfishness to ask our sons not only to fight the war, but as the future taxpayers of our Nation, to pay our present grocery bills, plus the expenses of administration of the program and interest and carrying charges on the debt incurred to pay these subsidies.

That subsidies are evil there can be no question; but what we must decide today is whether these evils are overbalanced by the immediate benefits which might result. It is true that subsidies paid directly to the producer will save the consumer slightly more than the amount paid out, as the ultimate consumer pays a price which is loaded by mark-ups through various handlers.

It has been argued that if we can prevent rises in certain basic items, it will prevent a rise in all other items, and fantastic figures have been produced by certain people showing what this may amount to. I am frank to say I cannot see any justification for this claim. What has a subsidy on milk to do with the price of, say, oranges?

It is also true that there is an element of the population who have received no benefit from the war and to whom the high cost of living is causing real hardship. How large this group is is problematical.

When you consider total family take-home pay, I do not think that the group is as large as some think; but however small, they deserve real consideration, and it was for their protection that I urged before the Rules Committee that real consideration should be given to the Herter food-stamp plan. If aid is necessary for these people, it should be given to those who need it, not spread over everyone, be he rich or poor. You and I, and an overwhelming majority of the American people, can and should pay our own grocery bills now.

The argument has been made that, if we do not continue subsidies, labor will be justified in demanding the breaking of the Little Steel formula; that wages will go up; then prices; then wages; and the spiral of inflation will be in full force.

Now, I am one of those who saw the dangers of inflation long ago and have been fighting to prevent it, long before the administration was willing to come to grips with the question.

Two years ago, I supported the theories of Mr. Baruch, as embodied in legislation proposed by the gentleman from Tennessee [Mr. GORE] for an over-all ceiling; but at that time, as you remember, the President succumbed to pressure groups, ordered his followers to oppose this legislation, and it was defeated on the floor. Much of the trouble now before us might have been avoided if we had faced facts realistically at that time.

Leaving out the question if the Little Steel formula has not already been broken; leaving out any question if this rigid formula is the best one; let us ask ourselves whether the proposed subsidies would, in the light of wages which are being paid, justify our adding these sums to the real wages received by the workingman.

The subsidy program will amount to about a cent and a half per person per day, if we take the figures presented to

the Banking and Currency Committee of what is planned, or perhaps 3 cents a day if the billion and a half subsidies are put in, as suggested in Mr. Bowles' radio speech a couple of nights ago.

In chart No. 15, placed in the hearings by Mr. Gilbert of the O. P. A., figures supplied by the Bureau of Labor Statistics show a rise in weekly earnings in all manufacturing industry groups of over 35 percent from January 1941, the basic date set to calculate the Little Steel formula, to May 1943.

There are no figures available showing what further rise may have occurred in the past 6 months.

It is true that there are certain elements of our working population who, up to May 1943, had not had as great a rise as that of the cost of living. Municipal workers, school teachers, railroad, and public-utility employees are examples of these classes; but the over-all rise on the average has not been only the 15 percent provided by the Little Steel formula, or even the 23 percent represented by the increase in the cost of living; but has been 35 percent.

Perhaps here and there further wage rises are justified, but with these figures before us, the passage of the present bill certainly would not justify the collapse of the entire present wage scale.

The weight of evidence seems heavy against a subsidy program, and I will vote for this bill gladly and with good conscience.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. What provision of this bill directs or authorizes a subsidy?

Mr. KEAN. None.

Mr. MORRISON of North Carolina. This is an effort indirectly to interpret and control legislation heretofore enacted or which the President claims has been enacted.

Mr. KEAN. What bill that has been passed provides for subsidies?

Mr. MORRISON of North Carolina. I did not mean to go into that, but that is the contention. There is one authorizing him by public proclamation, in reference to strategic materials or necessary materials, to go to the Reconstruction Finance Corporation and get money to pay for subsidies for various things.

Mr. KEAN. The intent of the Banking and Currency Committee when that legislation passed certainly did not include consumer subsidies.

Mr. MORRISON of North Carolina. Then there would not be any law, as the gentleman contends, of course, for them to do what they are doing?

Mr. KEAN. No.

Mr. MORRISON of North Carolina. My question is directed to this situation: What law has been enacted or which they claim you have enacted?

Mr. KEAN. If they have misinterpreted the laws which we have passed, the only remedy, which the Congress has, is to specifically forbid it.

Mr. MORRISON of North Carolina. Why not do it in a direct act then?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I was very much interested in the gentleman's figures as to how much it would amount to per person per day provided they have these subsidies. Does the gentleman have any figures as to how many cents per day it will add to the burden of the average citizen if we authorize subsidies?

Mr. KEAN. Well, the question would arise as to what type of bonds they may sell and how they borrow the money.

Mr. CUNNINGHAM. How much will the cost of subsidies add to the taxpayers' burden per day?

Mr. KEAN. That all depends on the interest charges on the money borrowed to get the money to pay these subsidies.

Mr. CUNNINGHAM. Does not the gentleman believe they would exceed the amount of savings to the average citizen?

Mr. KEAN. Yes.

Mr. WRIGHT. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman has given a good factual account of his own ideas of this program. I do not agree with some of the inferences that the gentleman states, but I do believe his work shows a lot of study. Here is something that occurs to me: The people who believe in your interpretation of this act feel that the price of living, the cost of living, may be raised if we abolish all subsidies and you can hold it there. We who disagree with you feel that once the line is abandoned it cannot be held. I think that is the direct issue between us.

Mr. KEAN. I think the gentleman states his proposition well.

Mr. SADOWSKI. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Michigan.

Mr. SADOWSKI. I gather from the gentleman's statement he is not fearful of inflation in the event this bill passes?

Mr. KEAN. No.

Mr. SADOWSKI. The gentleman does not fear inflation?

Mr. KEAN. No; not if the administration makes use strictly of the powers which it has.

Mr. SADOWSKI. Are you and the other Members of Congress who take your position willing to assume full responsibility in the event that inflation does occur?

Mr. KEAN. I am not assuming any responsibility for this administration.

Mr. SADOWSKI. You will have to assume responsibility for the situation that will follow the passage of this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Vermont [Mr. PLUMLEY].

(Mr. PLUMLEY asked and was given permission to revise and extend his own remarks in the RECORD.)

A SUBSIDY EXACTS A TRIBUTE

Mr. PLUMLEY. Mr. Chairman, Benjamin Franklin or somebody said, "Virtue is its own reward." Benjamin Franklin should know.

Anyway, for the last 2 or 3 years I have been talking and voting against subsidies, and now we are coming into our own, for we will defeat the administration's proposals, adopt the committee's recommendations, pass the bill now, and again over a threatened veto—or else the will of the people will be thwarted.

Opposition to the conclusions of the committee is senseless. The policies of the administration to the contrary have been wrong since their inception.

I hope I have not reached that age when I cannot listen to reason or put my opinion against the world. In this instance I voice the sentiment of an overwhelming number of millions of Americans.

I am willing to be shown, and there are plenty to defend me when I say I will admit when I am wrong—much as I hate to do it.

I often think of what Emerson said about consistency, which he called "the hobgoblin of little minds adored by little statesmen and philosophers and divines." And he went on to say, if you recall, that—

With consistency a great soul has simply nothing to do. Speak what you think today—

Said he—

in words as hard as cannon balls, and tomorrow speak what tomorrow thinks in hard words again, though it contradict everything you said today.

I have been the consistent opponent of the administration's doctrine and policy of scarcity which makes it necessary for it to rob Peter to pay Paul as it steals money out of the pocket of one to pay the other while it puts both in debt.

I have talked so many times, here and elsewhere, in opposition to subsidies as proposed by this administration; I have quoted everybody and stacked figures on top of one another so many times in an effort to show the futility of subsidies that I will not presume to say anything more except "I told you so."

We can save this country from New Deal devastation only by defeating its attempts to give the public another hypodermic injection from which the patient, the body politic, if it survives, must recover at great expense of time and money and effort, reduced to taxes which the people shall pay if subsidies are imposed or granted or permitted as a way out.

SCARING THE PEOPLE TO DEATH

The administration has tried to scare everybody to death with threats of what will happen—which will not. Most people know that if the New Deal will only let the law of supply and demand alone it will work out for them the economic salvation of the masses when it gets back its equilibrium after the jar of the New Deal subsidies. It always has; it always will.

The New Deal monkey wrench thrown into the cogs of rationalized living has

done the world a definite damage from which it will take a century to recover.

None of its experiments has been new. Its audience has been new, and inexperienced. Just why a dollar paid as a subsidy will buy the common sense of a people who eventually must pay the bill is a question no philosopher can, will, or should try to answer. But, as Abraham Lincoln said, "You can't fool all the people all the time."

The time has now arrived for the multitude of common people to use the sense God has given them. They know you cannot get something for nothing and that if you are bought you are sold.

Subsidies are an insidious sop to soak up the support of those who never have contributed any real effort toward the uplift of mankind or the benefit of themselves. What you get as a subsidy you pay for tenfold as a tax, and those who have to pay the bills while the blood-suckers on the body politic grow fat at the expense of the multitude.

Subsidies are wrong ab initio and always—especially so in the instant case. Those who most strongly urge their adoption do it as they would resort to the use of a life preserver, in a last extremity.

Let me tell you if the American Republic as a patient ever recovers from all the experimental doctination attempted, and/or all the experiments tried out on the body politic during the last 10 years, it will be because God loves America, in spite of and not by reason of anything the New Deal has done to conserve and to preserve the most outstanding example of a government of, for, and by the people the world has ever known.

God save the State.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. MONRONEY. Mr. Chairman, I have a good idea that in the peaceful days that will follow the strike of World War No. 2, when the researchers through these distant years begin to look back and find the point at which the breakthrough of inflation of World War No. 2 occurred, they will put their finger on today's CONGRESSIONAL RECORD.

I believe they will determine with statistics and logic that there was one agency and one agency alone, the United States Congress, if in possession of the judgment and the courage that the day demanded, that could have stemmed this tide against the disaster of inflation that marked World War No. 2.

POWER POLITICS AT WORK

I believe they will write that powerful groups composed of labor, industry, and a few farm organizations all leveled heavy artillery on Congress and that we faltered and fell back and retreated from a line that was destined to protect all against inflation.

The constant din for higher and better prices, bigger and better wages, is heard on this floor from day to day. I rarely remember when a Member took the floor

to argue that some specific price was too high. It is generally the same. This price and that price are always not high enough. Some prices somewhere in this big scheme of things must have been placed at too high a level.

Once in a great while the complaint, of course, is vaguely made that the general cost of living has gone too high, and for that they simplify the thing and say that O. P. A. is to blame. I do not remember many Members of Congress putting our fingers on any of these specific prices and charging the blame up to them. Yesterday it was the same story—the reason the cost of living has increased was claimed that O. P. A. has blundered.

PERFECT JOB IMPOSSIBLE

I do not believe you will ever have perfect price control. You and I and other Members have always said that you could not have the Government running business because you could not collect in Washington any set of brains that could run this complex and confusing economy of ours satisfactorily. Now when we find ourselves in the greatest World War of all times, spending \$250,000,000,000, we know we have to have wartime price and ration controls. I do not think we need to argue that point. So is it unusual, is it expecting anything that we did not know before, when we find that the very thing we had always said comes true in this war?

MUST BE TRIAL AND ERROR

It is bound to be a system of trial and error. We are flying in an unknown field in order to try to get through this war without the disaster of inflation ruining our economy. I think it is to the credit of the committees of this Congress that they are active and alert and alive and investigating and turning up the errors that they find. I have been glad to see that many of these errors turned up by these committees have been corrected. In spite of the shortcomings—and there have been thousands and will be thousands more of mistakes—the fact is that the end result we have gotten has been that the cost of living has risen only half as much in World War No. 2 as it did during World War No. 1 in the same period. Bear in mind that World War No. 1 was a \$25,000,000,000 war, and World War No. 2 is a \$250,000,000,000 war. The stresses and the strains on our economy are ten times as great as they were in the World War No. 1 period.

GOOD POLITICS TO CONDEMN

I have been in politics long enough to know that it is pretty good politics to go before any group and stand up and cuss and damn the O. P. A., and hear the applause ring to the rafters. I know that and you men know that. You can always win a popularity contest back home by making that speech at almost any group and almost any gathering. I know, too, those with something to sell are always going to feel that they have been discriminated against on their one price of the thing they sell, overlooking the fact that they are protected on a thousand prices of the things they have to buy.

Yes; it is good politics to cuss and damn the O. P. A.—it is good politics as long as the price line is held, as long as the dam stands to keep this onrush of devastating inflation from swamping everyone that is caught beneath that dam, and that is the majority of the people in this country. It is the majority of the little people who do not have great enough earning power and only their tiny savings who will be crushed by this tide of inflation.

WHO IS RESPONSIBLE?

Let all the controls be swept away, break down your ceilings, and let prices skyrocket, and the folks back home will sooner or later look up in the RECORD and see who did it.

I think today Congress stands on the very threshold of inflation. We are about to break in disordered retreat from a line that has been held reasonably well for over a year's time. That line was held fairly well on prices and it has held pretty well on wages. But now because Congress finds less than a dozen prices in the squeeze, and because one buccaneer with a pistol at Uncle Sam's head, John L. Lewis, forced infiltration in the wage line—and I do not deny it—I do not think we ought to surrender and say that all is lost and we must retreat and withdraw.

OUR DUTY TO FIGHT

I think it is Congress' duty to stay here and fight this thing out. I do not think we will be doing our Nation the service we owe it if we say, "Yes; everything is lost. Let us retreat and see if inflation can catch up with us."

Today we are in sight of victory if we had the judgment to perceive it. We need to beat back the counterattack by two powerful forces, one on the price flank and one on the wage flank. We can win this fight. Congress is the only power in this Nation strong enough to do this fighting. If we fail, I hate to think of the consequences.

We need to beat back, first, this attack on the price flank, for if we lose, there we unhinge our line, and must fall back on the wage flank as well. The two are tied together. You cannot retreat on one without retreating on the other.

LIVING COSTS GO UP

It is proposed here by section 3 to withdraw one of the weapons that are helping us to hold the price line. To withdraw and deny the use of subsidies abruptly on December 31 will increase the cost of food by 7 percent and the cost-of-living index by 3 percent. I would be glad to go along with any plan suggested by either side of the aisle if they can give us any plan other than subsidies that will prevent this precipitous and disastrous price raise from taking effect on December 31.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I have very limited time, but I will yield for a question or a very short suggestion if the gentleman has one.

Mr. MURRAY of Wisconsin. If that is the case, does the gentleman think that the approach to the flour or the bread problem can be met by a

\$100,000,000 subsidy at a time when we have an embargo against any wheat even coming into our country?

Mr. MONRONEY. I certainly think it can. I am going on now with my talk, because I do not have very much time.

It is true that we can let these prices go up in the market place, and that is what this bill proposes, but when you do you break in disordered retreat from the wage line.

NINE HUNDRED MILLION VERSUS FIVE AND ONE-HALF BILLION

It is true that we can avoid spending \$900,000,000 a year in subsidies. We can let butter go up 9 cents a pound, milk a cent a quart, sugar a penny a pound, bread a cent a loaf, and meat from 3 to 5 cents a pound, and so on, but do we actually save this money? By withdrawing the subsidies we do not save, since the wage flank moves forward to cost us, not the \$900,000,000, but five and one-half billion by breaking the wage line, the direct governmental cost of this maneuver.

I say now to my friends on the left is anyone so childish as to believe this administration will keep wages frozen at a point 10 percent less than its wage formula?

FORCE UP WAGES TEN BILLION

Be realists and you will admit that all wages will move upward unless Congress holds both flanks. Abandoning this line that has held for more than a year means that you will not soon find another position on which you can hold, for immediately after your wage line is broken by 10 percent, it is already obsolete. Its immediate effect on the cost of living will so skyrocket living costs that another increase and another and another still occur as higher wages bump up the cost of all production. Your war costs, for, after all, the Government is the biggest buyer in the market, will be increased not by a billion, but by ten, twenty, or even one hundred billion before the cycle has run its course.

Bear in mind Uncle Sam is the biggest buyer of food and all production. He is buying 55 percent of production of goods in this country. And when you raise the cost of that wage bill on that 55 percent you surely increase the cost of war first by \$5,500,000,000 and on down the line in jumps of \$5,000,000,000 and \$10,000,000,000 as we further retreat before inflation.

MUST LIMIT SUBSIDIES

I am not advocating the unbridled and unlimited use of subsidies. I have listened patiently to all the hearings. I think one element we all have against subsidies is the fear they will be abused and misused. I agree they are dangerous and their widespread use is inflationary. We have here a choice between two evils—inflation or subsidies. I do believe they are one of many weapons necessary to be used if we are going to control inflation. I believe it is the duty of Congress to proscribe and limit the use of these subsidies rather than to oversimplify this complex situation and to bar their use completely. I have

tried to devise ways to develop and prohibit unlimited and ill-advised subsidies, and I am going to propose an amendment under the 5-minute rule.

THREE LIMITATIONS

I first propose to limit it as to the amount. I propose to limit it to \$750,000,000 to be spent between January 1 and September 30, 1944. That is barely enough to cover the present program at its present level, and to include the pending subsidy on bread and flour which will cost from \$65,000,000 to \$100,000,000 a year. This is \$200,000,000 less than the amount they say they need in order to do this job, but we have practiced economy oftentimes in this Congress by cutting those estimates far below what officers think they need. We find we get better dollars-and-cents value when we do it.

CONTINUED TO SEPTEMBER 30, 1944

As to the program continuing after the war or continuing after the need for subsidies is nonexistent I think we should make the time expire early for the use of any subsidies.

I propose to prohibit their use after September 30, 1944. The reason for that date, and I would like to have them expire earlier to have them come back to Congress sooner so we can check on it, but, gentlemen, we have to get these programs through the crop-growing season and through the canning season. It would be foolish to cut them off on June 30, the date when the Price Control Act expires, because it would leave our whole war-production program in a state of flux and uncertainty. So I believe that when the Congress takes up the Price Control Act on June 30, 1944, we can then determine this issue of subsidies, whether to continue the act or not, in the light of the conditions at that time. But I think we should then taper off our subsidy program so as not to abruptly disrupt and dislocate our vast war-production economy.

MUST HOLD WAGE LINE

One other point I have there in addition to the money limit and in addition to the time limit is, if the general upward adjustment of wages is ordered, if your Little Steel formula is broken, then I do not believe you ought to pay subsidies. There is no need in the world for paying subsidies if you break the line on wages. And my only reason for advocating subsidies today is to help us hold this wage line against this \$10,000,000,000 break. That, I know, will destroy our whole economy and will surely occur by this exclusion of subsidies. We help the President hold the line on wages through my amendment, because if this line is broken on the Little Steel formula, then the authority to use subsidies is gone. He can show labor and others who today are demanding the abandonment of our line against inflation, this absolute prohibition against use of subsidies if the wage line is broken. Thus, their gains would be illusory and their relative purchasing power not increased. This amendment, I feel, gentlemen, will work for stabilization and not against stabilization.

DISLIKE UGLY WORD

There are many here, and I also, personally, who dislike the ugly word "subsidies." I hate the sound of it, but I do not hate it enough to make me deny the use of a weapon that I think is highly important in this terrific fight to prevent destruction of the value of savings, insurance, bonds, and the standard of living of Americans.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield 3 additional minutes to the gentleman from Oklahoma.

Mr. MONRONEY. I want to thank the acting Chairman [Mr. BROWN] who has been very courteous and kind to the minority Members on this issue, and it is indeed appreciated.

MAY NOT VETO BILL

One other point I would like to make. I am not accusing anybody of playing politics on this thing, because I do not have any such information. But I do believe, however, that if some Members are going to vote against subsidies on the theory that the President will veto the bill anyway, thus saving them from the backfire of skyrocketing living costs, they are playing with fire.

It might be shrewd politics to please both sides, the millions who are strongly against subsidies, and not incur the terrible complaint of crushing advances in living costs, if you were certain that the President would veto the bill.

I am afraid that those who might consider this will be playing with Roman candles in a powder factory. No one can say for certain that the President will veto the bill so you can have your cake and eat it too.

The situation is not the same as it was when the first bill was vetoed in June. Bear in mind, in June there was only one labor leader then who was willing to sacrifice the stabilization program in his demand for higher wages. That was John L. Lewis.

Today you have dozens of powerful leaders of American labor, insisting and clamoring for increases to break the wage formula because of this Lewis raise. The wage formula has never been under such pressure since it was instituted and now stands in grave danger of collapsing.

WAGE FORMULA ENDANGERED

The President, perplexed, worried, and troubled by the most difficult labor situation this administration or a commander in chief has ever faced, is liable to have to break the line. By Congress breaking the line first on prices, by retreating in the fight we almost force a break in the line on wages. So I would not be so sure, if any of you are relying on this Presidential veto, that that will be the thing that will occur. Congress will be leading with its chin if we pass this bill now, while the wage situation is so critical, we pour gasoline on the fire of inflation. We must be prepared to accept the blame and the Nation will so place it.

Today is the day to strengthen his hand by helping him to hold the line, not only on prices, but on wages as well.

We can hold the line by not being afraid of the ugly word "subsidies." We can hold the line by opposing powerful groups that are now seeking to make more money out of this war. We can hold the line by being politically unpopular in the fight against inflation. We can save this Nation from the disastrous spiral that inflation will cause.

This insurance will cost us \$750,000,000 for the next 10 months. That is less than 1 percent of our Government's annual expenditure. We are insuring against the spiral of inflation by making this investment and if we can underwrite the risk on tens or hundreds of billions of dollars of potential and impending inflation, it is a mighty good investment.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONROE], has again expired.

Mr. KEAN. Mr. Chairman, I yield 25 minutes to the gentleman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, the experience of foreign countries seems to demonstrate that our subsidy program is bound to be much more expensive and expensive than you have been led to believe.

Two years ago I opposed both the Henderson and Baruch plans for price control. Before we voted on those plans in the Banking and Currency Committee, I offered a substitute policy of my own which would be less of a strain on the country. It consisted of having the administration set aside a broad field of luxuries which there would be no attempt to control, some of which in fact, Government would actively encourage to rise in price. Under my plan, government would concentrate on the control of food and other necessities required for the war and for keeping the citizens of the country in good health for the duration, these commodities being permitted to rise in price sufficient to get necessary maximum supply. Since only eight members of the committee voted for my plan, I did not offer it on the floor, not wishing to hurt a good cause by premature presentation but since have privately tried to persuade key officials to adopt it since they already have the legislative power to do so if they choose. Luxuries, by this plan, could help pay for the war since luxuries would then become the escape valve for inflationary money.

I learned only recently that England uses a Spartan policy, described herein-after, which is much like the policy I devised except that it affords less relief to taxpayers.

This summer, when the Commodity Credit bill was before our committee, the committee voted to strike out the provision similar to the one embodied in the present bill linking prices to parity and substitute instead an amendment I offered embodying one feature of my original plan—to the effect that prices of foods be permitted to rise to the extent necessary to secure adequate production. The committee, however, before bringing the bill to the floor, reversed itself on the question in an informal meeting called for the purpose, though I personally still prefer the previously adopted amendment, since it did not extend price

increases to less essential commodities simply because of their relation to parity.

I deeply regret that my whole plan has not been adopted, because it would mean less deficits, less taxes, less pressure to sell bonds, fewer shortages, fewer strikes, and fewer economic troubles stored up for the future, though, to be sure, it would also mean that individuals would not buy so many luxuries and would probably buy more bonds instead. The present price-control policy, which uses Government manpower and money to control the prices of such luxuries as imported wines, seems to me to be utterly unfair to the future generations.

The questions hereinbefore referred to, of course, have no bearing on the subsidy issue except that under my plan you would never find the Government paying subsidies for luxuries, as you are likely to do under the present plan, which is like Canada's. In Canada there was such a vigorous public protest that the Government was forced to give up paying subsidies on grapefruit, leather goods, and a long list of articles the public considered luxuries, which means that Canada will gradually have fewer of the luxuries they could just as well have under the British or my plan. The Canadian Minister has publicly stated that is what it will mean.

This time we had before us Dr. Gilbert, Chief Economist of the O. P. A. Although he vociferously favors consumer subsidies and, under present circumstances, I oppose them, I found that we were able to agree upon the principles involved. We agreed, of course, that the large amount of money now in the hands of consumers is a potential threat of runaway prices. The National City Bank, by the way, in its recent bulletin, points out that the so-called inflationary gap is by no means an accurate measure of that threat. A certain psychology—for instance the feeling that money is to become cheap as spinach—might suddenly cause people to cash in their Government bonds and use a much larger sum of money than the estimated inflationary gap and start buying tangible property sending prices into a panic of increases.

We agreed that, given enough money and police power, O. P. A. can maintain the rigid general price ceiling—though I learned later that even Germany with an indomitable Gestapo has not been able to maintain the rigid price ceiling. Even there prices have risen, it is said.

We further agreed on the important and incontrovertible principle that if rigid ceilings are maintained some relief is going to have to be given because costs, due to war strains, are bound to rise in an increasing number of instances. This principle was well stated by the Canadian Minister of Finance, Hon. J. L. Ilsley in April 1942:

The necessity for subsidies or their equivalent arises from the fact that the costs of providing goods or services to the Canadian consumer cannot be completely controlled or from the fact that in some cases these costs were actually higher at the time the ceiling was imposed than the level of costs that were then being reflected in the prices charged. * * * Insofar as these costs rise beyond the amount which the industry

can absorb with fixed prices, we must either do without those goods, or raise the ceiling on their prices, or else pay subsidies or take some equivalent action to meet these increased costs.

Dr. Gilbert agreed that because such cases multiply, regardless of what you might pay for subsidies next year, the following year the amount of the bill for subsidies would probably be greater. If you adopt the consumer subsidies relief policy you have a debt spiral and if you adopt the price increase technique for giving relief, you get a price spiral.

The chief reason, it seems, that Dr. Gilbert advocates using the subsidy technique is that he honestly fears the reaction of organized labor to any price increases. He feels that if prices of such essentials as milk and meat are permitted to rise to the extent required to give relief from high costs and get adequate supply, it will be a signal for serious strikes in essential industries.

This very same labor argument which induces Dr. Gilbert to favor subsidies is the one which persuades me that we should vote against subsidies and use the price increase relief technique instead. As I see it, the fact that organized labor is capable of exerting such tremendous pressure against increased prices means that if the administration adopts the price instead of the subsidy technique, O. P. A. will be careful to raise prices only sparingly. The administration has always used a cheap food policy even before the war, never encouraging prices to go beyond parity until the war started. With a vigilant labor group pressuring constantly against increased prices, the O. P. A., you may rest assured, would not permit much of a price increase. Even now when they would get a more nearly adequate supply if in a few cases they raised price ceilings slightly, they seem to prefer shortages.

Today, for instance, on the agricultural front, only a few price increases seem to be needed—beef 3 cents, corn around 20 cents, and milk, a cent or two in some areas. In the report of the Gaumnitz Food Advisory Committee, appointed by Secretary of Agriculture Wickard this year, which, for some reason, was suppressed, only the summary on the first page being given to the public, I find that they estimate that an additional 7,000,000 bushels of corn might be made available.

Living on a commercial grain producing farm, I am convinced from personal observation that such a price increase would substantially increase the amount of corn production. I am equally convinced, however, by the Government officials themselves that they will not grant any such increase, preferring apparently to let the country try to survive the so unnecessary shortage though the rather drastic food report of the Gaumnitz Food Advisory Committee says:

The United Nations have not even been holding their own: Food stocks have declined steadily to the point where there is no more than a small operating reserve in any commodities except sugar and wheat—and wheat reserves will probably be depleted in the next 2 or 3 years at the present consumption rate.

Therefore I believe that if the price increase technique for giving relief were voted there would not be much of a price spiral. I believe, on the other hand, that if the administration is given unrestrained power to use the subsidy technique, the debt spiral will be large indeed. Organized labor never has exerted political pressure against Government spending and no other group has exercised effective pressure against it. The administration has always spent lavishly and even wantonly. Dr. Gilbert himself is coauthor of the so-called New Deal bible, entitled "An Economic Program for American Democracy," which advocates unlimited spending. Dr. Gilbert, who has been called the master mind of O. P. A., has such a flexible mind that I feel sure he does not advocate unlimited spending now. Indeed, he said he wanted to spend not more than \$1,000,000,000 next year for subsidies. You and I know, however, that with power given them to spend as they please, those higher than Dr. Gilbert would not harken either to him or anybody else who advocated reasonable limits on the subsidy spending.

The way the subsidy program is likely to expand, even if we had the less expensive kind of program England has, may be observed if you study the English program. In England the conditions are almost ideal for using the subsidy technique in a restrained manner. England is small. No citizen there lives far from the capital as our citizens do, therefore, mistakes can be noticed and corrected quickly. Much of the food supply is imported, easily controlled by government from the time it reaches the ports of entry. England receives cheese and several other foods under lend-lease. No subsidy from the British Government in such cases need be used. There is in England, moreover, a traditional civic resistance against Government extravagance. Since, for the duration of the war, there are to be no elections there is no temptation to grant lavish subsidies as a means of winning elections. Since England does not control the prices of luxuries, there is this broad field where there is no reason to grant subsidies. The British Government even stopped giving subsidies on bacon—ham—leaving it to reach the natural price.

England, please note, has no formal "hold the line" order, no rigid general price ceiling, and no artificial wage dam like the Little Steel formula which looks so noninflationary on paper but which, quite obviously, permits inflationary wage increases in numerous cases where unnecessary and refuses wage increases in industries where higher wages would increase needed supply and often might reasonably be absorbed by the industry concerned instead of by consumers.

Price control and other forms of regimentation which eliminate economic freedom are, of course, most easily administered in countries where the people are living in a state of fear as in Russia or Germany. Repeated bombings give British citizens, presumably, something of that state of fear which enables officials to control prices effectively and refuse unnecessary subsidy requests.

Operating on the theory that the rich can afford to pay their own living expenses but taking care that the poor do not suffer for lack of money to pay for essential goods, England stopped trying to control the price of milk. The price of milk, it should be noted, however, did not rise very high when price ceilings were released. Instead of using a subsidy which would help pay the milk bill of every citizen as our Price Administration wants to do, England has subsidized only milk for children under 5 and for nursing and expectant mothers, issuing these groups coupons permitting them to buy specified amounts. Children at school get one-third pint of milk a day. In all 3,000,000 persons have been benefited. England, by the way, also has canteens supplying food for defense workers.

Britain has used the kind of policy which I have always advocated, letting luxuries rise in price so that those who buy luxuries help pay for the war. She has readily permitted wage and price increases where deemed advisable. She has concentrated her efforts on getting an adequate supply of nutrients, giving Government aid only to those who need it. In England, as in Germany, some subsidies are not paid with Government money but are paid out of a pool made up by levying a charge against those who buy low-cost materials for the benefit of those who have to buy high-cost marginal materials. England, like Canada, has used some ingenuity, removing tariff duties so as to eliminate the need of price increases, instead of actively causing inflationary cost increases as our Government does, an example being the way our administration imposes a 3-percent transportation tax on all commodities—4 cents in the case of coal.

Since the British use a policy which is more sensible than that used by our administration, they have much less need or temptation to expand subsidies under their plan than our Government. Even under these almost ideal laboratory conditions, however, their subsidy system has grown in a manner which should completely disillusion us of the hope that in America the use of subsidies will not spread. In England the subsidy system has expanded to this extent:

First. At present 90 percent by weight, of the foods in the cost of living index are subsidized.

Second. Subsidies have been extended not only to farmers but also to middlemen, factories and retailers. There is even a subsidy for fish which enables citizens who live in middle England to get fish as cheaply as the next-door neighbors to the fishermen.

Third. Wages are subsidized—the largest wage subsidies going for agricultural and mining wages. They pay, for instance, \$80 per acre for flower gardens turned to vegetable gardens. Cost of "prow-up" subsidies not included in cost figures given below.

Fourth. They have found it necessary to have renegotiation of subsidy contracts—essential, they feel, to prevent rank injustice to British taxpayers. Recalling the amount of protest against renegotiation of contracts here in Amer-

ica when relatively few contracts were affected, you know ahead of time what pressure there will be against economizing by means of renegotiation.

Fifth. In England, where officials never loot their own taxpayers—the cost of subsidies for that relatively small country has been enormous: \$232,000,000 in 1940, \$320,000,000 in 1941, \$510,000,000 in 1942, and \$600,000,000 in 1943.

Now, after comparing the two countries and their policies, how much chance do you think there is of holding down subsidies in America to any \$1,000,000,000 a year for next year? \$5,000,000,000 or \$10,000,000,000 more likely. Frankly, I am afraid to trust this administration with a subsidy relief policy. I would not, on the other hand, trust a Coolidge or Hoover administration with a price-increase relief policy. Only the President can alter personnel. Where, as here, it is consistent with good principles, Congress can and should fix the policies to fit the personnel.

At the time our committee first held hearings on price control I requested an historical survey and was jovially laughed off with the remark that Hammurabi started it. We need a historical survey. In his book showing the way the political experiences of today duplicate those in old Rome, Helperin gives you a glimpse of how human nature works under a consumer subsidy. It seems that Gaius Gracchus won popularity by subsidizing the price of wheat. A classic joke of the period referred to the way rich people stood in a queue getting their share of the cheap wheat the same as the poor people. Subsidized wheat, though occasionally withdrawn by economy-minded officials, became so popular that political candidates promising cheaper and cheaper wheat tried to outbid one another in order to try to win elections. Soon the government was giving free wheat. Finally subsidized wheat became hereditary and permanent.

Today, to be sure, taxes hurt more people and bond sales are deducted from pay rolls. In some areas, chiefly the rural ones, citizens, grown tired of taxes and Government bond salesmen who threaten to paint their barns yellow and threaten to reveal the amounts of bonds purchased, are mutely irate against Government extravagance. It may be some time before the feeling against Government spending becomes general and even longer before Washington officials realize that the feeling is general since nowadays people prefer to muffle their objections.

Probably the Government will not waste on this program anything like the amount it wastes in foreign countries, but the subsidy waste will be here in America where American citizens can find out about it, with their own eyes and ears and, as soon as they have the opportunity, reveal their sentiments behind the curtains of the polling booths.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I am sure we are all grateful for the erudite and informed discourse of the gentle-

woman from Illinois [Miss SUMNER], who preceded me. I am sure also she will not mind if I do not agree with her conclusions. I do feel that from her illuminating study of the British situation you can draw this conclusion; which is, whenever the Government steps in and tries to regulate the national economy, there are bound to be a multitude of headaches. They have their own headaches in England; their own comparative successes and their own failures in part. That is the way we should approach the program that we have here.

We have achieved relative success in our stabilization program in that our prices have not spiraled nearly as fast as they did in the last war. We have partially failed to achieve success insofar as certain individual food programs have not worked out as well as we would like to have had them work out. I do not think we can avoid this imperfection. It is just one of the headaches that are incident, as my colleague from Oklahoma has said, to this \$250,000,000,000 war. We are in the middle of an all-out war and what we have to try to do is to honestly see the best way out of it.

I agree with some of the reasoning the gentlemen on the other side of the aisle have given. They have spent a great deal of time on this problem. Where we leave each other—and I think this is the fundamental issue between those who believe that subsidies should be continued with limitations and those who believe they should be entirely abolished—is that we who are convinced it would be dangerous to discontinue subsidies at the present time, do not think that the rise in living cost can be stemmed immediately if the preliminary breach is made. Regardless of justification or regardless of all our hope to the contrary, wages will go up, as well as all prices. Not merely the price of those commodities which are now being subsidized will go up, but because of the tremendous pressure by industry, farm, and labor, that once the line is broken, once this Maginot line is broken, or the Dnieper line, or whatever line you may wish to call it is broken, we may not find another secure place at which we may be able to hold it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. MORRISON of North Carolina. This law does not authorize or direct the payment of a subsidy, does it?

Mr. WRIGHT. I may say in answer to my distinguished friend that it does forbid the use of the funds of this Corporation or of any other Government corporation for the payment of subsidies, with the exception of certain subsidies which are still permitted to continue.

Mr. MORRISON of North Carolina. But they are not in controversy.

Mr. WRIGHT. They are not in controversy.

Mr. MORRISON of North Carolina. Then I ask if there is any law that anybody claims goes any further than to authorize the President, through the agencies of our Government, when he thinks it strategically necessary, to use

these subsidies; there is no directive law or imperative law requiring anybody to pay them, is there?

Mr. WRIGHT. Oh, no; and there is a difference of opinion as to whether the present law even permits the use of them. I personally feel that a fair, legal interpretation of the existing law permits subsidies, but there are some arguments that can be put up on the other side. We had that dispute in the committee.

Mr. MORRISON of North Carolina. I surmise that many people may be like me. I am perfectly willing to authorize the payments of subsidies and the use of subsidies when it is strategically necessary, but I am not willing to vote to directly appropriate one, of my own knowledge, on the subject involved.

Mr. WRIGHT. I do not think any one of us wants to do that at the present time. I believe the President has now, under the laws we have passed, the primary responsibility of stabilizing our economy. You gentlemen who feel that if we do forbid subsidies we shall be able to hold some line which will be a brake against inflation, I believe, will have to admit that by adopting this bill as it is now written we ourselves assume the responsibility that this line can be held at some other point. The best advice that I can get is that the use of subsidies at the present time is necessary in order to keep our economy stabilized. There is a possibility that those who are opposed to subsidies are right and I am wrong. I never am so conceited about my own reasoning processes as to preclude the possibility that those who disagree with me may be right. But I frankly am not willing to take the chance—I am not willing to take the chance of plunging this country into an inflationary spiral which I am afraid will result if we adopt this bill as it is now written.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. BARRY. Does it not seem inconsistent to the gentleman that the members of the Banking and Currency Committee who are opposed to subsidies now have supported a provision of the Commodity Credit bill to continue subsidies 2 years after the war to guarantee farmers 90 percent parity loans?

Mr. WRIGHT. I may say in response to the gentleman's inquiry that there may be an inconsistency there. I would not want to explore this thought except to say I am in favor of stabilizing post-war conditions for the farmers, and I want them to extend the same concern to those who are not farmers. There are more than 30,000,000 people who still are not as well able to meet the cost of living from day to day as they were 4 years ago, and to take this weapon of subsidies out of the hands of the President is after all to take away the only means whereby those who need this help very badly may obtain it.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield for a question?

Mr. WRIGHT. I yield.

Mr. MILLER of Connecticut. Can the gentleman explain how this program

could be held to \$800,000,000? Is that the increase in the total cost of living or the cost of food?

Mr. WRIGHT. Does the gentleman mean would that result if subsidies were withdrawn?

Mr. MILLER of Connecticut. No; if we were to allow subsidies and spend \$800,000,000; or, to put it the other way around, if we withdraw that right to spend \$800,000,000.

Mr. WRIGHT. I think I understand the gentleman's question. The best figures I have been able to obtain show that a prohibition against subsidies would cause an increase of something over 7 percent in the food index or a little over 3 percent in the cost-of-living index.

Mr. MILLER of Connecticut. I am at a loss to see how \$800,000,000 could account for 3 percent of the cost of living.

Mr. WRIGHT. I am not an expert at figures. I see my statistician, the gentleman from Oklahoma [Mr. MONRONEY] here. I shall be pleased to yield to him to answer the question. I may say to him that the gentleman from Connecticut has asked me how the expenditure of \$800,000,000 could result in a saving of 3 percent in the cost-of-living index. I yield to the gentleman from Oklahoma to answer if he cares to.

Mr. MONRONEY. You get one-half of 1 percent decrease in the cost-of-living index for the investment of a limited amount in your butter subsidy, for example, which at the present time is running at \$82,000,000. That expenditure decreases your cost-of-living index by one-half of 1 percent. Your cost-of-living index is based on in some cases what we in merchandising call loss leaders—those are the meat, butter, bacon, and beans items that are highly rated in everybody's individual diet. By working on those specific things which are absolutely essential you do get a terrific influence on your cost-of-living index.

Mr. MILLER of Connecticut. Does the gentleman know that the butter and meat subsidies now account for 3 percent?

Mr. MONRONEY. No. I will be glad to give a list to the gentleman.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would say on the butter proposition that the saving is more than the subsidy because a lot of people cannot buy butter, so they save the entire purchase price of butter.

Mr. WRIGHT. The gentleman is assuming that the subsidy program constitutes a handicap to agriculture, and although we had witnesses before the committee who said that, when they were asked to develop the thought, I was not able to get any convincing answer as to why subsidies would interfere with production.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman that the subsidy

plus other restrictions put on by different agencies have resulted in a decrease in the production of butter and a scarcity of it in the market.

Mr. WRIGHT. The gentleman may be correct. I know he has a good bit of experience in those things which I do not pretend to have. Somebody did say something that appealed to me, and that is it does not make any difference to the cow who pays for the milk. In other words, the question is merely who is going to pay for the product, whether the Government is going to pay a portion of it or the consumer is going to be asked to pay the entire amount. Subsidies have nothing to do with production. They enter only into the payment for goods which are produced.

I have one more thought I would like to develop before I conclude. I do not believe you can hold the price increase to those goods on which subsidies are now paid. Once the line is broken I am certain a general increase in food prices will result. More than that, at the present time you have your wages and your food prices geared together. I do not think any person who has any sense of realism can say today that if we have an increase in living costs which will bring the cost of living up 10 percent above the 15 percent contemplated by the Little Steel formula you are not going to have irresistible demands for increased wages. Furthermore, if you do not grant these increases in wages, you are going to impair the production of necessary war material.

Mr. BUFFETT. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I may say to the gentleman in reference to the production of butter that the most important thing is whether or not we get production. If the farmer will not milk the cow, we are not going to get the butter, and the farmers seem to be pretty generally against the program.

Mr. WRIGHT. I think there is a good bit of sentiment by the farmers against the program, but I do not think it necessarily goes to the question of production. I feel that the farmer does not want to see the people who are living in the cities get what they consider an unfair benefit and I am trying to point out that I do not consider it an unfair benefit.

Mr. MONRONEY. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. In the hearings a great number of leading dairy representatives were questioned on this point, and it all came down to the proposition that they were psychologically against it, they did not like the idea of paying subsidies, but in no case could they say where subsidies decreased or detracted from our milk production to make up for a price rise in the market.

Mr. WRIGHT. I think that is right.

Mr. WALTER. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Did I understand someone to say that the farmers are on a strike?

Mr. BUFFETT. I would like to answer the gentleman's question.

Mr. WRIGHT. Mr. Chairman, I want to proceed. As I say, the primary responsibility now is on the President. If we pass this bill we assume the responsibility of saying that in doing so we will not precipitate inflation. Maybe it will not, but that is a chance that we are taking, and from the advice that I have obtained from people who I am sure know more about it than I do, I do not want to vote for this bill as it is now written and take that chance. I do not want to be responsible for the War bonds that are being bought by our people being paid for in depreciated dollars.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, in my first participation in general debate in this Congress I would not want to make a partisan speech. There is every reason why this debate should not be partisan.

I shall discuss only one phase of the pending bill: The effect of section 3, prohibiting subsidies, upon farm income and farm interests, and I wish to emphasize the long-range view rather than the consideration of immediate advantages in supporting some amendments to this measure.

We have proceeded a little more intelligently in the debate today as we have shaken off some of the enslavement of words. I am aware that the feeling against the word "subsidies" is strong, but I hope that those who supported the committee report will give us of the committee minority credit for being entirely honest and fair and seeking to add a degree of clarity to this debate by accepting the handicap that we have in defending food subsidies.

You may even use the words "consumer subsidies" if you like. Uncle Sam, himself, is a tremendous consumer, buying almost \$5,000,000,000 worth of food every year. If you object to subsidizing a consumer on the market, you have the other alternative of subsidizing with Uncle Sam's money the profits that are made by certain distributors and processors who are going to ride upon the inflation wave that you are setting in force. One of the clearest demonstrations of the fact this has not been weighed carefully by the committee is the windfall profits that are here for some of the sugar producers, a windfall profit that they are not entitled to. It is a subsidy pure and simple, and is but one illustration of the fact that we are going to authorize some unnecessary price rises if we do not change this bill.

I wish to make these points in support of my opposition to the sweeping ban on subsidies: First, section 3 limits the power of the Commodity Credit Corporation to fix support prices without reference to price ceilings by abandoning farm production as the moving con-

sideration in the price-support policy and tying the program to consumer price ceilings. Second, it will work against the farmer by causing an immediate and conceivably a very damaging increase in the price of everything he buys. Third, it will further encourage an inflation in land prices which is already threatening to parallel the disastrous experience of 1920-21.

Now let us examine the section dealing with the relation of support and ceiling prices. The nature of the bill is very clear. It does provide that ceiling prices shall not be below the support prices but there are certain administrative implications that must be very clear. We have no right to assume that the administrators will act arbitrarily. The Price Administrator must operate under the mandate of the stabilization laws. We have said to him, "hold the line," and surely other agencies of the Government would recognize that the primary responsibility in that program is his. Undoubtedly, the time will come when it will be desirable in the case of certain commodities to provide an increase in the support price. Under present arrangements, the mechanics of the price support program are responsive to the Food Administrator's orders in that respect. Potential losses to the Government in ordering mandatory loans will not deter him, and at the same time there is no abridgement of the authority of the Price Administrator. If, however, section 3 stands as reported and becomes law and in the future there should arise a need for increasing mandatory loans, then the War Food Administrator will either set the price up regardless of its effect upon the price program, and thus aggravate the problem on the price front, or he will make concessions at the farmers' expense that ought not to be made. We are creating very painful dilemmas for the War Food Administration.

If this Congress intends to divide responsibility in the price program to that extent, we might meet demands for the same authority from the Petroleum Administrator, from the War Labor Board, and from other agencies that must wrestle with problems arising from the price-control program. If we expect arbitrary action by the War Food Administrator we are saying to Mr. Bowles "hold the line, but expect a bulge when food is involved." I say that we cannot expect him to hold the line if we permit the bulges.

We are not going to say to the leader on the Italian front, Gen. Mark Clark, that he shall have control except so far as the left flank is concerned, but that he cannot be sure his orders there will be respected. We have to fix authority and we have to stand our ground on the inflation front.

The second objection from the standpoint of the farmers is that if you remove all subsidies you will impose an immediate penalty on the farmer in the rise in cost of the food he buys. Do you realize that the farmers of America buy on the food markets \$2,500,000,000 worth of food each year? If you have a 7 percent increase in that—and I believe it figures

out at \$175,000,000—that is a penalty on him, with no commensurate advantages for him. We must weigh that effect.

Finally, and this is tremendously vital, and so little has been said about it that I shall devote the rest of my time to it, you are going to find abnormal increases in food prices immediately reflected in the land values of this country. The farmers of America have not forgotten the disaster that came to them 20 years ago. Do not fail to note the fact that it is threatening to happen again. The Secretary of Agriculture spoke yesterday of his personal observation of a farm of which the owner said, "This farm is worth \$125 because I have tended it and cared for it, and it produces to that amount." But next door to that farm, just last week a sale was made at what rate? Not \$125, but \$225 an acre. You gentlemen as practical men who know the farmer's language and his problems know that that was inflationary; that it represents a speculative profit for somebody and that nobody but the farmer suffers when it happens.

We have not forgotten in the South, where three-fourths of all the land transactions in some States in the course of 20 years have resulted in foreclosures and loss of the land to the farmer, that that brings ruin in its wake. So I plead with you to think about the effect of the abnormal increases in land prices which will follow a break in commodity prices.

Farm real estate values so far in this war are increasing at approximately the same rate as during the last war. Furthermore, this increase in real estate values is closely associated with the increase in prices of farm commodities.

The following table in an official release of the Bureau of Agricultural Economics shows comparative figures on the rises in both World War No. 1 and World War No. 2.

[1910-14 base=100]

Year	Prices received by farmers	Real estate values
1914.....	98	103
1915.....	103	103
1916.....	146	108
1917.....	192	117
1918.....	206	129
1919.....	228	140
1920.....	157	170
1939.....	93	84
1940.....	98	84
1941.....	122	85
1942.....	149	91
Mar. 1, 1943.....	182	99
Nov. 1, 1943.....	193	107

It will be noted that although the real-estate values have not advanced to the same height as they did during the last war, the proportionate rise from 1939 to November 1943 was 27 percent compared to the proportionate rise from 1914 to 1918 of 25 percent. Further study of the indexes of prices and land values show, over almost all periods studied, a very close correspondence between the two.

Also associated with the increased prices and the bidding up of land values in both wars was a large increase in the voluntary transfers of ownership between farmers. The number of such transfers was 35 percent greater in 1919

than in 1918 and 75 percent greater than in 1914. The volume of sales during the second quarter of 1943 was 75 percent above the second quarter of 1942. There are indications, therefore, that much of the increased lands values are due to speculative purchases and sales rather than to a careful appraisal of future income. Further indications that a considerable portion of the rise in land values is speculative are found in the fact that much of the buying of farm land is being done by city people instead of bona fide farm operators.

So far in this war increased values have not been accompanied by increases in mortgaged indebtedness. But if the increases continue to the peak indicated by the present rise, we may expect a repetition sooner or later of what occurred during the latter part of the last war when farm-mortgage debt had increased by 72 percent from 1914 to 1920, leaving the farmer with a tremendous indebtedness to pay off at the moment when farm incomes began to tumble rapidly.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Does not the gentleman believe that if those costs rise a little bit a lot of those farmers whom the gentleman is pitying so would get to raising their own food on their own land. They do it in Pennsylvania.

Mr. HAYS. Please let me go on with the land-inflation matter. I am talking about the long-range view, not immediate prospects. But it is a snare and a delusion to think the farmer will gain by a price break. Look at the record.

I have made the point that, in the last war, prices rose rapidly, but when prices were high to the farmer land values were just a little behind them. Two years after farm prices collapsed land values were still high. Prices topple first, and then foreclosures come.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Nebraska.

Mr. BUFFETT. May I suggest to the gentleman that the value of the land does not change, it is the value of the currency with which he buys that land that is depreciated.

Mr. HAYS. Exactly.

Mr. BUFFETT. That currency depreciates just in proportion as the national debt goes up and the deficit increases.

Mr. HAYS. That is the reason we do not want to give him a devalued dollar. We want him to have a good dollar for the price he is getting for his product.

Let me stick to this inflation in land values that has taken place. That is important, the gentleman will agree.

Mr. BUFFETT. Yes, but the thing that makes the price of land go up is the depreciation in the money that is brought about every time you add to the debt or add to the unbalance of national finances.

Mr. HAYS. Does the gentleman think he can add to farm prices without finding that reflected in land values?

Mr. BUFFETT. Prices go up as the money depreciates. It is debasement of the money that is causing our trouble. Every large-scale inflation in history has arisen out of the debasement of currency, and the debasement of currency comes about through deficit financing. We are adding to that every day.

Mr. HAYS. There is not time here to discuss the causes of depreciation. I am sure the gentleman does not think I can take on that question now.

Mr. BUFFETT. Let me make this point, that the very subsidy itself adds to that depreciation.

Mr. HAYS. I thank the gentleman.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. If the administrative officer working out this whole thing for the protection of the people has the power to raise prices and also the power to use a subsidy, we are not justified, are we, in presuming that he will use the subsidy all the time? He will use whichever in his judgment will best promote the welfare of the people, if he is an honest man.

Mr. HAYS. Thank you. And do not we have to leave some discretion with our administrators?

Mr. MORRISON of North Carolina. That is the point exactly. If we are fighting a lion and a tiger let us use a shotgun and a sword both, if we need to.

Mr. POAGE. Will the gentleman yield?

Mr. HAYS. Yes.

Mr. POAGE. As I understand the gentleman he assumes there is going to be a tremendous increase in farm prices if we do not provide subsidies?

Mr. HAYS. I had two assumptions. One is the assumption of those who are fighting subsidies that there is going to be no increase. That is one assumption. One group have advanced the idea that there will be no increase in prices that it will be merely a replacement in the market price of the subsidy increment. In that case I have shown that the farmer will be penalized in the cost of the food he buys to the extent of \$175,000,000.

Mr. POAGE. I was referring to the first part of the gentleman's speech.

Mr. HAYS. The other alternative is, and this, I think, is the real one, may I say to the gentleman, they do expect a price rise. I am saying when those prices start to rise there is no possible hope of anchoring them to the real and permanent value of land.

Mr. POAGE. And the gentleman's contention that land is going up is based on the assumption that farm prices are going to rise?

Mr. HAYS. If we do not use every device we have those prices will be abnormally high and the farmers will lose their farms again.

Mr. KEAN. I yield 15 minutes to the gentleman from Iowa [Mr. TALLE].

CONSUMERS' SUBSIDIES

Mr. TALLE. Mr. Chairman, the issue in the current debate is a fundamental one. It is grounded in the philosophies to which men adhere. On the one side

stands the idealist who has unbounded faith in his ability to change human nature. He believes in centralization of Government and minute regulation of man's everyday lives. That government is best which governs most, says he. His bottom principle is economic control.

On the other side stands the realist. He knows our world is imperfect because human nature is imperfect. He agrees with Shakespeare that it is not in our stars but in ourselves that troubles lie. To him freedom is paramount. That government is best which governs least, says he. His bottom principle is economic freedom.

This explains why economists take opposite sides on issues. Their basic philosophies are opposites. The cat is made to jump one way or the other, according as the philosopher's cane prods him.

Basically, therefore, the two forces which meet in the current debate on consumers' subsidies are: economic control versus economic freedom. That the New Deal fraternity insist on paying consumers' subsidies is not surprising. Indeed it would be most surprising if they did not, for the paying of consumers' subsidies fits beautifully into the New Deal concept of economics and politics.

It is my contention that the so-called New Deal is the oldest deal in history. The only thing new about it is its location. As New Deal economists state in their book, *An Economic Program for a Democracy*, one era in our history ended on March 4, 1933, and another era began. Since then freedom has been curtailed and regulation expanded. Even the concept of freedom, which has been thought of as indivisible for more than 150 years in our country, is now divided into four parts, and freedom of enterprise is not one of them.

The cynic says the only lesson history teaches is that men do not learn lessons from history. In spite of that, I propose to take a broad look at the past, keeping in mind the two opposing principles which have sought recognition—economic control versus economic freedom:

First. The ancient peoples of the Orient did not enjoy economic freedom. The moral codes prescribed by priestly lawgivers embraced minute regulation of men's everyday lives. From the cradle to the grave their conduct was subject to government by men, or by a single individual.

Second. The guardians, or philosophers, of Greece were the brain trust of Hellenic days and the head of the Roman household was the only one in it who had full rights as a person. Economic control was in the saddle in the ancient Occident as well as Orient.

Third. Life in the Middle Ages was controlled by custom and the accepted practices of the feudal and manorial systems. For a thousand years after the fall of Rome, economic control still held sway.

Fourth. From 1500 to 1800 mercantilism in England, with its counterparts, Colbertism in France and cameralism in Germany, maintained rigorous control of men's affairs. This was the period of state building, and the means employed in the building were economic forces con-

trolled by kings and their henchmen. It was to escape the tyranny of one of these kings that the Pilgrims set sail for a new and unknown world which we proudly acclaim as the land of the free and the home of the brave.

The clock struck a significant hour in 1776. Adam Smith came upon the scene to preach economic freedom at a time when government regulations had become so top-heavy that the structure was about to topple of its own weight. Thomas Jefferson came upon the scene simultaneously to preach the doctrine that men are endowed with certain inalienable rights with special emphasis on life, liberty, and the pursuit of happiness. Custom and status gave way to freedom in both economics and politics. The individual who had cried out for self-expression down through the corridors of time came into his own. Up to that hour he had been something less than a man.

Having taken these giant strides through the pages of history, what do we find? Principally, that economic control and not economic freedom has been the prevailing principle in human history. Freedom, then, is a relatively new thing in human experience. And it was no doubt that bleak and somber fact which made the poet-philosopher remark "man's inhumanity to man makes countless thousands mourn," for if the aspirations of mankind were graded in importance, certainly freedom would stand on the topmost rung of the ladder.

What does this survey have to do with the issue before us, you ask? I repeat, the proposal to pay consumers' subsidies is strictly in line with the thinking of him who believes in economic control. He argues that such payments must be made to stop inflation. But that argument is merely surface appeal. Whether he knows it or not, the basic reason is his New Deal approach to economics and politics. He believes in government by men; not government by law.

I contend that the payment of consumers' subsidies leads to inflation. Why? Because the money in people's pockets available for spending is increased by the amount of the subsidies paid. The Treasury says there are forty-five billion "dangerous dollars" dodging around doing damage. The proposal to pay consumers' subsidies would add to that amount. Since inflation is already here and has been with us for quite some time, the proposal made is like fanning the flames of the fire.

As I stated when hearings were held on this bill, Uncle Sam does not have a dollar. He must, therefore, borrow the money with which to carry on. If in addition to his colossal outlay for war purposes, he must also find money for paying citizens' household expenses, he must borrow more than he is borrowing now. And it costs money to borrow money:

First. It costs money to issue and sell bonds.

Second. It costs money to pay interest on bonds.

Third. It costs money to refund bonds not paid at maturity.

Fourth. It costs money to raise taxes to pay interest and principal.

Fifth.—It costs money to administer subsidies.

Most of the bonds already issued have been bought, and most of those yet to be issued in all probability will be bought, by banks. Banks manufacture credit. In our banking system as a whole, a hundred-dollar bond in a bank becomes the basis for several hundred dollars in means of payment. Means of payment, called checks, have the same effect on prices as the currency in men's pockets. In addition to these means of payment arising out of bonds and bank deposits, our currency is being increased at the rate of about \$5,000,000,000 per year, or about \$100,000,000 per week. The backing for this currency is also Government bonds. Does anyone believe that inflation can be stopped by such procedure? If he does, let him examine what happened to the Austrian crown, the Russian ruble, the French franc, and the German mark during and after World War No. 1. It was the inflation of Germany that made Hitler.

When I confronted the chief O. P. A. economist with this argument, he agreed that I was right but countered with the statement that the choice is not between good and evil but between two evils. The admission was, therefore, made that the payment of subsidies to consumers is an evil.

Finally, let me say that, once started, consumers' subsidies are not easily shaken off. Like some other institutions which have come into being during the past decade, they harbor within themselves a spark of life which seeks not only survival but expansion as well. Allow them to be paid now and who shall stay their course?

Fundamentally, the issue rests on the philosophies of men, and as once so well spoken, "Tis with men's judgments as with their watches; none go just alike, yet each believes his own."

In my opinion, those who vote for the current bill will register their approval of economic freedom. Those who vote against the current bill will register their approval of economic control. The former is in line with traditional Americanism; the latter with traditional Old World-ism, going back as far as recorded history.

Mr. MORRISON of North Carolina. Will the gentleman yield for a question?

Mr. TALLE. Yes; with pleasure.

Mr. MORRISON of North Carolina. By "economic freedom" and "free enterprise"—you use the phrase "economic freedom"—you mean freedom from what? Does the gentleman mean freedom from the interstate-commerce clause of the Constitution of the United States—freedom from reasonable control by the Government?

Mr. TALLE. I know the very able and amiable gentleman from North Carolina knows that I do not subscribe to that definition of economic freedom.

Mr. MORRISON of North Carolina. I did not think so.

Mr. TALLE. I assure him he and I will sit down together and smoke some excel-

lent North Carolina tobacco and talk this question over.

Mr. MORRISON of North Carolina. You are just opposed to the fellows doing it rather than to the law which controls the unbridled will of men.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. First, I wish to compliment the distinguished member of the committee for the scholarly presentation he has made, with which I agree. Secondly, I should like to ask him a question with reference to the matter of increased prices of farm lands in the Central West. I think the gentleman will remember when Secretary Wickard came before the Banking and Currency Committee in support of the first price-control bill I interrogated him with respect to what he thought would happen as to the prices of farm lands, when we drove investors out of other fields, and he answered to the effect that he had not surveyed that. Now we find the prices of farm lands going up. We find the man who works in the city on the war industries' pay roll, sharing in the flow of billions of war dollars, going out and buying these lands and paying cash for them at the advanced prices. I want to ask the gentleman if that is not a natural consequence of what has gone before?

Mr. TALLE. That is true; a wholly natural consequence.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TALLE. Mr. Chairman, I yield back the balance of my time.

Mr. WOLCOTT. I yield that time to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I just wish to say that in my opinion the gentleman from Iowa [Mr. TALLE] has given us the most scholarly analysis of the two conflicting economic philosophies that come to a head in this subsidy bill that this House has heard. It was a treat to hear such a scholarly analysis.

Mr. WOLCOTT. I yield such time as he desires to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON of Kansas. Mr. Chairman, food is fast becoming the world's greatest problem. We have heard a lot of fine-sounding speeches about America being the larder for the democracies and a lot of irresponsible promises have been made that we stood ready to feed the world. For more than 25 years prior to the present war United States food production did not keep pace with the population. For the 4-year period between 1935 and 1938—just prior to the present war—the per capita production of all food was 8 percent lower than during the corresponding period just prior to World War No. 1. In no single year dur-

ing the thirties did the per capita production get up to the 1926-30 level. The public was told that we had enormous food surpluses, but the real trouble was the inability of the consumers to buy rather than overproduction. Today the situation is reversed. The citizens of our Nation are receiving their highest national income. Price is not the problem. The supply of food is the No. 1 problem. Food, in terms of consumer incomes and pre-war consumption habits, is cheaper today than any time in the last 30 years. If consumers purchased the same quantities of food today as they did during 1935-39, only 16 percent of their income would be required for food expenditures, compared with 20 percent in 1939, 25 percent in 1933, and 33 percent in 1919. Actually, higher incomes have resulted in many consumers buying more and better food, eating more meals at restaurants, and the like, than in pre-war years; consequently, consumers are now spending around 20 percent of their income for food.

The data following are based upon the assumption that consumers had not changed their buying habits and were purchasing the same quantities of food as they did during the pre-war period of 1935-39:

Percent of total consumer income required to purchase the same quantity of food as consumed in the pre-war period of 1935-39

Year and percent cost of fixed quantities of food is of total income:

1913.....	28
1914.....	30
1915.....	26
1916.....	24
1917.....	31
1918.....	31
1919.....	33
1920.....	32
1921.....	28
1922.....	26
1923.....	24
1924.....	23
1925.....	24
1926.....	24
1927.....	23
1928.....	23
1929.....	22
1930.....	23
1931.....	22
1932.....	24
1933.....	25
1934.....	25
1935.....	25
1936.....	22
1937.....	21
1938.....	21
1939.....	20
1940.....	18
1941.....	17
1942.....	17
1943 ¹	16

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, the Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

The present chaotic food situation is the result of bungling on the part of the O. P. A. and other administrative agencies dealing with price control as the principal means of controlling inflation. The greatly increased income paid to individuals in defense industries has brought about a change of diet. In 1942

the civilians ate substantially less than in 1935-39 of the cheaper foods, such as potatoes, sweetpotatoes, and dry beans, and considerably more of the higher priced foods such as meat, poultry, eggs, milk, and cream. This increase in wages had brought a drastic pressure on the limited agricultural output of these items. The efforts to prevent inflation by the use of rigid price controls on many scarce foods has tended to increase their consumption and to induce evasion or black markets. Everyone must agree that inflation is caused by excess purchasing power with regard to the available goods and services. While there is no cure-all for inflation, the most effective way to reduce excess purchasing power is to increase the supply of goods and services available. This can be done effectively by increasing the supply of food through maximum production and by reducing the spending power through a vigorous tax and spending program. The present policy of the O. P. A. with its regulations is curtailing the supply and therefore increasing the inflationary gap.

If Congress approves consumers' subsidies as prohibited in this bill it will further expand the inflationary gap by permitting the consumer to have additional money to spend for food commodities. It makes additional pressure on the inflationary gap instead of removing it. Inflation is here and is going to continue to mount and you will never stop it by roll-back in farm prices, which is to be made up by subsidies. A 10-percent roll-back in the price of farm products would not affect the living costs to the extent of 2 percent. The costs of administration, the interest on the money borrowed, the many items that will be reflected in the cost of paying this subsidy will be many times the benefit reflected to the consumer in his living costs. Think of the vast army of men and women that will be required to administrate and enforce over-all roll-back and subsidy-payment programs. At a time when we must conserve manpower certainly we should not adopt a program of this type. A subsidy paid with borrowed money is like taking money out of one pocket and putting it in another, having a good share of it dribble away while in the process of being transferred. The subsidy program will not stop inflation, but if subsidies are voted as a means of lowering living costs when our family income for the American citizen is greater than in its history we will bring on not only the wildest kind of inflation but the disaster of food scarcity.

The food-subsidy program as now being applied by the Government amounts to about 11 cents per day for a family of four persons, or 2¾ cents per day per individual. Butter subsidies of 5 cents a pound amount to about 65 cents per year per person. A bread subsidy of 1 cent per loaf would amount to less than \$1 per year per person. The present consumer-subsidy program amounts to around \$10 per year per person.

Estimated effect of subsidies upon the daily food costs for a family of 4 persons

Product	Amount of subsidy per unit ¹	Estimated annual civilian consumption per capita for 1943 ²	Effect on daily food cost for a family of 4 ³
			Cents per day
Butter.....	5 cents per pound.	13.0 pounds.	0.71
Cheese.....	4 cents per pound.	4.9 pounds..	22
Milk.....	1 cent per quart.	180.5 quarts..	1.98
Meat.....	3 cents per pound.	124.0 pounds..	4.08
Bread.....	1 cent per loaf.	92.5 loaves..	1.01
Sugar.....	1 cent per pound.	75.0 pounds..	.82
Vegetables.....	3.5 cents per No. 2 can.	19.2 No. 2 cans.	.74
Potatoes.....	1 cent per pound.	131.0 pounds..	1.44
Amount per day for a family of 4.			11.00
Amount per day per individual.			2.75

¹ Based upon or calculated from information released by the Office of Economic Stabilization.
² Based upon data published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.
³ Calculated by multiplying the amount of the subsidy by the annual per capita consumption, then multiplying by 4 and dividing by 365.

I want to discuss briefly the flour subsidy program which is about to be placed into effect. The price of bread today is lower than the average price for the past 30 years. Generally speaking, there has been no increase in the price of bread for 20 years. Yet, the O. P. A. placed a flour ceiling price of 85 percent of wheat parity and the millers must have either this subsidy or an increase in the price ceiling. The officials in charge of this program would rather pay a \$100,000,000 subsidy than allow the price of bread to go up 1 cent a loaf. The saving for individuals would be less than \$1 per person per year. The farmers do not want the flour subsidy, the millers are opposed to it, and I believe I am safe in saying that Congress is opposed to it, yet we are threatened with immediate approval of the flour subsidy. Personally, I believe the O. P. A. violated not only the original Price Control Act but the intent of Congress when they set the price ceilings on flour at 85 percent of parity.

The farmers of our Nation have been accused of being greedy and profiteering. What are the facts? Despite these unfair statements and criticism the farmer has done his best and will continue to do so in spite of unfair criticism and innumerable handicaps. They have been harassed with regulations, regimentation, restrictions and red tape. They have operated at full capacity with practically no new machinery and a greatly reduced labor force. The farmers' wives and daughters have had to take the place of hired help on practically every farm in the Nation. They have worked not 40 hours a week, but 80 or 90 hours a week. They have done this without grumbling. All the farmer asks is a fair price for his products in the

market place. Certainly no one would contend that he and his families should have less.

It is estimated that the subsidy program proposed in this bill would require an expenditure of \$800,000,000. I think it is impossible to place a figure of \$800,000,000 or several billion dollars on the cost of this program, once it is started. The time to stop it is now and it should be done immediately by congressional action. The people of our Nation do not want the Federal Government to pay for a part of their grocery bills while their own sons are fighting our Nation's battles on foreign soil, nor do they want to transfer their everyday living costs to their sons and grandsons when they return home. It is an unwise and illogical program.

I am opposed to subsidies because they will not work, and want to present for your consideration the following reasons why I believe they will not work.

First. They are inflationary and will defeat the purpose sought to be accomplished.

Second. Subsidies in lieu of fair prices will lead to post-war chaos.

Third. Subsidies pass on to future generations costs which this generation should bear.

Fourth. Subsidies lead to the dangerous doctrine of expecting the state to support its people.

Fifth. Subsidies lead to political control and when once used they are politically almost impossible to get rid of.

Food will be the No. 1 issue in 1944. It is my opinion that it will be much scarcer than the average person can comprehend at the present time. The demand will be much greater than our citizens anticipate if we are to feed our own Nation and our allies, as present plans indicate. Prompt action must be taken which will give the farmers the farm machinery and equipment needed, the labor necessary for production, and the elimination of all the useless and unnecessary restrictions which are now hampering production.

Mr. BROWN of Georgia. I yield 10 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman and members of the committee, there is, of course, ample room for argument on both sides of the subsidy issue and I respect the right of any of my colleagues to take whatever position he or she believes is the correct one. I must confess, however, that it is difficult for me to reconcile the arguments advanced by many Members from agricultural districts against the subsidies, in view of their voting record in the past. During the past 12 years about \$7,000,000,000 have been paid out of the Federal Treasury to farmers in various forms of subsidies such as parity payments, soil-conservation payments, price-support payments, incentive payments, and so forth. When some Members are reminded of their past record, in view of various agricultural subsidies, they try to justify their present position on the ground that those subsidies were for producers and not for consumers. In the first place, it

has not been satisfactorily explained to me why producers should be a preferred class to consumers. Producers and consumers are absolutely dependent upon each other. There is no sound reason for subsidizing, as many of you have done, one group, and then refusing to subsidize the other group if it is in distress, later on.

In the second place, the argument that there is a fundamental difference in the type of farm subsidy given out in the past and so-called consumer subsidies, which we are discussing today, is wholly unsound. When the parity formula was adopted and parity payments were guaranteed to farmers, was it their purpose to increase production? Of course not. There was surplus production everywhere. Their purpose was to give the farmer purchasing power, so that he could buy the necessities of life, and the purpose of the so-called consumer subsidy is to allow the consumer, especially the low-paid consumer, enough money so that he can purchase the necessities of life. Both subsidies were and are designed to affect the same thing, the purchasing power. An attempt to distinguish them is wholly subterfuge.

The record will bear me out when I say that Members from city or consumer districts, almost without exception, supported farm subsidies when the farmers were in distress. I feel that it is only just reciprocity for the Members from the farming areas who voted for subsidies for the farmers, to now support subsidies for the great white collar, middle class of America, and many others who are now in distress. Those people contributed their share to the Treasury payments that went to the farmers and kept the prices up so that the farmer could live decently, and they and their children, and perhaps their children's children, will have to pay, through taxation, their share of the \$7,000,000,000 that have been paid out to the farmers since 1930.

Is it unreasonable for them to expect the farmers to contribute their share to some subsidy to benefit them when they cannot afford to pay the food prices that have risen over 40 percent since January of 1941? Farm prices today average 117 percent of parity. There has been an increase of more than 32 percent since 1941. I say more than 32 percent, because Marvin Jones, who is the friend of the farmer, testified before the Committee on Banking and Currency that the average price of farm commodities was 85 percent of parity in January of 1941; and that today it is 17 percent above parity. That makes 32 percent. But in view of the change in the method of calculating the parity formula, you farmers know that the rise has been considerably above 32 percent.

Millions of Americans have had no increase in their income since 1941. Millions of others have had only a slight increase compared to that enjoyed by the farmers. I personally do not like any kind of subsidy, but I voted for farm subsidies when there seemed to be no other way out. I am in favor of subsidies to benefit the consumers now, because I see no other way out. If we do

not keep food prices down, we will inevitably—and do not mistake it—bring about ruinous inflation. Attempts by any group to profit out of this war are not only unpatriotic but a sad illusion.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. SADOWSKI. The gentleman heard the gentleman from Iowa [Mr. TALLE] who spoke just before the gentleman from New York. He spoke about economic freedom. Can the gentleman comprehend how anyone can get up on the floor of this House and talk about the preservation of economic freedom at this time? When the war broke out the United States Government came to the city of Detroit and told Henry Ford, the Chrysler Corporation, and the General Motors Corporation, "You cannot manufacture automobiles any more, you have got to manufacture guns." How can anyone arise on this floor and say that anybody expects economic freedom in time of war? How can the gentleman agree with him?

Mr. BARRY. The statement is absurd. A majority of the members of the Committee on Banking and Currency have voted on this bill, the Commodity Credit Corporation bill, anticipating what might happen after the war, and they say they are against subsidies, and they have voted to guarantee the farmers 90 percent of parity, because they realize that in the transition period prices will fall down.

The situation is utterly selfish. When the market will sustain the farmer's price they want to pay him a subsidy; when farm prices go above parity—and that is what they had been striving for—they desire to keep the prices going up. Their position is utterly selfish.

Mr. SADOWSKI. May I ask further how any man can reconcile giving one group in time of war advantages that are not given to all?

Mr. BARRY. I should like to ask the gentleman if he wants the economy of the country to go back to the law of supply and demand when this war ends? Of course, he does.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. NORRELL. I have heard much said about the distress of the so-called white-collar class and I share the gentleman's concern about them, but I am wondering if this subsidy should become operative and the consumer who is in, let us say, the industries of this country should have their wages increased so to speak to the extent of these subsidy payments, thereby in effect giving them more money—

Mr. BARRY. That is not the way it works.

Mr. NORRELL. Thereby giving them more money to compete upon the open market for the short or scarce goods would make competition a little keener for the white-collar man on his salary to get those goods. Then the farmer gets, we will say, additional money. This gives the farmer an opportunity to be in keener competition with the white-collar man. These two groups have more

money, but the white-collar man, without any supplemental money, has got to compete with these groups in order to get his share of these commodities. Since he does not benefit in any way in these increases of income I am wondering if it is quite fair to the white-collar man to make him pay his part of the tax load for the payment of subsidies to the farmers and to the industrial workers? I am concerned about the white-collar man.

Mr. BARRY. That is a fairly involved question. Your white-collar man is in the position where his income has gone up but slightly if any at all; yet this is the class which has been paying taxes right along and will continue to pay taxes when the war ends and that unfortunate transition period comes. Are they going to have any money with which to pay taxes?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, usually I have a great deal of respect for statistics gotten out by any governmental bureau. It just happens that a few moments ago I was looking at this chart out here in the hall. I am a great believer in statistics ordinarily but sometimes my belief must waiver when the statistics are contrary to facts which are matters of common knowledge, known to be true. This graph out here in the hall indicates that the farmer today is getting a much larger net income than he did in the last war, in the First World War. It just happens that I had something to do with farming in the First World War and have something to do with it today. I know that in the First World War hogs out in Missouri were selling for \$24.50 a hundred; I know that today hogs are selling for less than \$15 a hundred. I know that cattle in the last war were bringing \$26 a hundred and I know that the farmers today are selling their cattle for \$12.25 a hundred. I know that almost every product that is produced on the farms in the Middle West is bringing not more than 60 percent of what it brought in the last war. The Members from the Middle West know that this is true. Just take one look at this graph out here in the hall and you will know that there is not one atom of truth in it. It is highly deceiving. I am astonished that a Government department would put out a graph of that sort that is so far from the plain and unvarnished truth that millions of Americans know and understand too well.

Mr. Chairman, I am not going into the theoretical features of this bill; those things have been gone into, but I do want to cite to the membership today just a few facts that I know to be true. I know that at the beginning of 1942 there were 273 men engaged in the dairy business in the eastern part of Jackson County, Mo., where I live, men who had been making their living as dairy farmers all their lives—273 dairy herds in Jackson County at the beginning of 1942. Then the O. P. A. comes in and begins to make some rather unwise price ceilings

and at the end of 1942 a lone 75 out of the original 273 had survived the blitz. Talk about sabotage of our war effort! If we still believe that food is necessary to the winning of the war we have some blundering and unwitting saboteurs in this country who have done untold damage to our war effort. The same thing has happened with respect to the production of beef. Twenty million pounds of beef which was needed by our soldiers across the sea was sabotaged by unwise bureaucratic regulations. The other day I received a letter from a farmer who is now living in another county but who for many years lived in Jackson County, Mo. I have known him for 30 years and highly respect him. I want to say to you gentlemen over here who are my Democratic brethren that for 30 years I have known him as an active, unfailing worker in the Democratic Party.

He moved to another county a couple of years ago and he decided to buy a little farm over there. The Government had urged the production of butter and butterfat. He invested in a herd of milk cattle, the best milk cows he could buy, and he started in the dairy business because he believed he could help his country by so doing. I received a letter from him the other day, and while I do not usually like to read letters, I am going to read a paragraph from the letter of this gentleman. First, he outlines the fact that he invested in his dairy herd, then he tells some of his experiences and how he was forced by the O. P. A. to go out of business and sell his herd.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BELL. Mr. Chairman, he states:

And now a word about subsidy.

To encourage the farmers to keep their herds the creamery raised the price of butterfat from 48 to 50 cents per pound, and then came the subsidy.

You know, they have been paying subsidies, although we have not authorized them.

The Government last month paid them \$900 and they lowered the price of butterfat to 48 cents per pound. Now, when it is becoming necessary to feed heavier, I talked to the manager today. He is very bitter against the administration and told me this subsidy was robbing the taxpayers. We also have here a black market. I also talked to the manager today. He told me he drew \$180 subsidy last month and he said he thought it was terrible, but everyone was getting easy money, and so was he. He has always been a Democrat, but not next time. He also told me that Mr. —, of —, who only kills pork and makes sausage, told him yesterday he was getting \$2,000 per week subsidy.

Now, I know that little town, I know this man's little packing house out about 3 miles from that little town.

He goes on further:

The mill here is the same way. The manager told me and a group of other men Thursday he had been a lifelong Democrat but is very bitter and expresses it so: "My God, if the people getting this easy money feel that way what do you expect of the people paying the bill?"

I read that paragraph from this letter just to give you, and particularly my friends over here on the Democratic side of the House, a picture of how this thing is going over in the grass-roots country. They are paying subsidies presumably for the benefit of the farmer, but the farmer is not getting one red cent of that subsidy. The little packer over near this country town is getting \$2,000 a week. The man at the creamery is getting \$150 a week, but not one red cent of it goes into the pocket of a single farmer in the Middle West. I repeat, not one red cent of it is going into the hands of the farmer. A farmer said to me the last time I was home something that is very significant. He has been on a farm for many years, he was a tenant on the farm in the last war. He said, "You remember, in the last war I was a tenant on this farm. There are 160 acres of it."

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, the question before this House is one that goes far beyond the merit or lack of merit in the proposed food subsidy; it jars the foundation of our democracy, it is sowing the pasture for another dictatorial bureau and its many parasites to forage and grow fat upon, at the expense of an overburdened taxpaying public. I am deeply concerned over the concerted efforts that are being exercised toward useless regimentation of our people under the shadow of a purported necessity during this emergency, which has been and is being deliberately taken advantage of to fasten the yoke stronger on a helpless people.

If one will only analyze the abuse of power by the Office of Price Administration it can well be seen why the people are demanding that the Congress retake the reins of government, that the rights guaranteed by our Constitution may be preserved for our posterity. There was an actual necessity for such an organization as the Office of Price Administration, and with the powers given it by Congress it had the opportunity to render a great service to our people; instead it has set up a reign of terror and despotism heretofore unknown to a free people. It gloats in the glory of confiscating private property and running enterprising and honorable American businessmen out of business, all in the name of saving the people from themselves. I could quote many specific instances where their conduct has been such as to make a true patriot wonder to what shores the old ship of state is headed, and in what port she will anchor. Time will not permit my going into more than one of these instances. I can give you proof where on an alleged violation of some edict a patriotic businessman, Mr. M. M. Monroe, of Waycross, Ga., was sued for approximately \$5,000 in a court 1,300 miles from his home and place of business and the place where the alleged infraction of regulations was committed. This party, knowing that he had committed no wrong and that he did not

owe his Government anything, prepared to defend himself in said action. One of the army of lawyers paid from the tax money of the people, Mr. Levenson, of Boston, Mass., in conference with this defendant and his council advised the defendant if he defended himself in this case and did not settle it he was preparing to bring many more such actions against him in different sections of the country and would keep on until he broke him, all in the name of democracy. This party paid up and stated he was going out of business for the duration. His business was essential to our war effort, but he was literally run out of business by one mad with power and drunk with the desire to regiment, yes, hurdle, pen up, push around, and abuse people. The conduct of this bunch is enough to make the colors run from the flag that stands for justice and equality of mankind. They are running rampant over the country and have the people bewildered with orders, directives, rules, and regulations that they themselves do not understand. The country is working alive with their regimentators from border to border and from coast to coast.

I wish the people of the Nation, and especially of my district, could come to Washington and look through the offices from end to end of long corridors and see the thousands upon thousands of employees of the Office of Price Administration waxing fat off their tax moneys, who are responsible for the reign of terror that they have brought down on an already burdened populace. While on the question of food, let me say that if the thousands on top of thousands of their emissaries in the field work throughout the United States and the thousands on top of thousands on the public pay rolls here were put to work producing food, we would be faced with a surplus.

My time will not permit going into statistics to argue the fallacy of this subsidy program. The subject is so elementary, however, that it requires only sober thought of a reasonably intelligent person to shoot any argument for a producer subsidy full of holes. It is no complicated question. It has been amazing to me to notice how the Reds, radicals, and crack-pots here who sponsor such programs attempt to accomplish their wild aims. They take a subject as simple and as unsupported by merit and fact as this subsidy question and first shroud it in a cloak of purity and then parade it in the shadows of deep mystery in the hope of confusing and bewildering the Congress, if possible, to such degree that they will in hopeless despair support it, and if Congress does not support it that they may so mesmerize the thinking public that their confusion will cause them to condemn the Congress for not accepting the yoke and bowing to the demands of these star gazers here in Washington who are determined to chart and direct the course of the American people.

I ask the membership of this House to come from under the haze of the smoke screen created by Philip Murray, the administration leadership, and the Communist press who have formed and

sponsored this damnable piece of legislation.

It is unthinkable to know that this legislation has been sponsored by the radical element of this country who have been responsible for the exorbitant wages being paid industrial workers who are now drawing twelve and fifteen dollars per day. They demand higher wages one day and are granted it, as in the case of the coal miners, and the next day call on the taxpayers of America to pay their grocery bills; and yet we have Members on the floor of this House who will use every means at their command to saddle that expense on a helpless, taxpaying public. You have not heard one cry from the millions of wage earners who have not received any increase in wages through all of this spiral trend calling for subsidies; it comes from those who are responsible for the heavy taxes we are paying today.

There is one reference I would like to make that is fundamentally sound in analyzing the merits and demerits of this legislation. It will be found in the Holy Writ that you can judge a tree by the fruit it bears. I call upon the membership of this House and the people of this Nation to judge the Office of Price Administration by the fruit it has borne.

A few months ago, the great saviors of the American people put forth a roll-back program, which they were given the privilege to try. I could give you many instances of its ill and destructive effects, but will only call attention to the fact that it has caused the slaughter of hundreds of herds of milk cows throughout the United States right at a time that we face a milk famine. It has prevented thousands upon thousands of beef cattle from being fed and thereby providing millions of pounds of extra beef for the consuming public, which also applies to hogs. I can cite you one instance where Dennis Adams, an enterprising, thrifty, and hard-working small farmer in my home county, bought on the livestock market in my home town of Douglas, Ga., on August 17, 1943, six feeders of the total weight of 1,385 pounds for the sum of \$173.17. On the 12th day of October 1943, after approximately 2 months of careful feeding, he sold the same six cows on the same market, and they weighed 1,665 pounds, a gain of 280 pounds, besides the fact that they were bought thin and sold fat, they brought him only \$144.86, a net loss, besides the worth of his feed and time hauling and taking care of said cattle, \$28.31. It could safely be said that he lost at least \$75 in his patriotic effort to help produce food. I ask some Members of this House to tell me who got this money, to whom did this advantage go?

How are you going to justify this kind of regimentation and confiscation of property? If any of you have the temerity to claim that anyone profited by this confiscation of this man's property except the middleman, you would have to say it was some of John Lewis' or Philip Murray's legion who are shutting down war industries and living off the fat of the land while they walk in idleness

about the streets of the communities in which they enjoy the freedom of a democracy being protected by the blood of the youth of this Nation. The fact is that no one but the middleman profited. I have a family and it is necessary to make weekly purchases of their food and we have not enjoyed one-tenth of 1 percent reduction in any meat prices, nor has anyone else. This in the face of the fact that millions of dollars of the taxpayers' money has been used to set up another bureau with its many parasites to prey on the working people of this country.

The sponsors of this measure are so inconsistent until it all but causes us to lose confidence in human beings and human reasoning. I had one sponsor of subsidies tell me that a plain example of the merits of the subsidy program is that we produce about 20 percent of our sugar, and by the use of subsidies that only our producers would benefit, but if we permitted an increase in consumer prices then the foreign countries who produce 80 percent would then profit likewise. I reminded him that "this is your argument on this measure, in the next breath you will be calling on the Congress to appropriate billions for lend-lease from which you will send these very countries, that you do not want to enjoy the increase in prices, millions of dollars of lend-lease goods such as silk hose, lipstick, rouge, and other weapons of war of this nature. I ask you to remember who said: "Consistency, thou art a jewel."

It is so childish, so ridiculous and so destructive to think of the real effect of this purported legislation until I am caused to tremble in fear of what lies ahead for this Nation unless those in charge of its destiny revert to more sober thinking. We had the Treasury Department to call on us to saddle onto the tax-paying public an additional ten and one-half billion dollars in taxes, based on the argument that there is so much surplus money that it is necessary to levy such an excessive tax to siphon off the surplus money in the consumers' pockets to prevent inflation. In the next breath we are urged by the same source to vote millions of dollars that this same bunch may pay the grocery bills of the consuming public because prices are beyond their means to meet. It will take someone with a mind like a jig-saw puzzle to convince any sober-minded human being of any consistency between the two positions. At this point I would like to ask when God in His infinite powers will bring sober thinking back to the directing powers in Washington. The purpose seems to be to, by any means, get control of the entire income of the American public that it may be wasted, spent, and scrambled for any purposes that this wild bunch may conceive in their dreams and imagination of that realm of utopia in which they yet seem to think that the American people are going to live under their plan.

The effect of their over-all proposal would be to take in taxes from a man with a net income of, we will say, \$5,000, an extra sum of approximately \$1,000, and I know and you

know that he would not be saved, under the most liberal construction of the result of the program, more than one or two hundred dollars in the course of a year on his purchases. This is about as consistent, however, as the general financing of the Government's business has been over the past few years.

I want to say to you Members who brand yourselves as liberals, that you with other powers at work in this country may break down the system of government we and our forefathers have enjoyed. You may destroy at home the very thing that the youth of this Nation are dying on foreign battlefields to preserve, and in their absence, but let me take this opportunity to thank God Almighty, from whom all wisdom and justice comes, that when it is done the pages of the procedure of the National Congress will never show my name as being one who joined hands with the Communists, radicals, and other crackpots of this country in its destruction. I accept as the greatest privilege that a kind providence has given me to know that in the pages of history yet to be written my children will never be able to point to the fact that their father helped to destroy the America that the patriots of old gave their property and lives to build.

I sometimes wonder how you can face the fathers and mothers who have given from their bosom their first love to go abroad and fight for you and for me when you know that you are saddling onto them a national debt of destruction for them to try to pay by their labor when they return from the blood-stained and smoke-colored battlefields of terror where they have left so many of their comrades to sleep through the years under a tomb resting on foreign soil and kissed at night by a foreign moon.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF of Michigan. Mr. Chairman, I listened with a great deal of interest to the remarks just submitted to the Committee by the distinguished gentleman from Missouri [Mr. BELL]. I wish a great many more Members could have been on the floor and heard that speech. It impressed me, as I am sure it impressed every other Member, because of the fact that he gave to us the truth and the whole truth about the situation in which the American farmer finds himself.

INFLATION A DANGEROUS OPIATE

Mr. Chairman, inflation is like a drug. It gives you an immediate lift and leaves you with a bad headache. It is also like a drug because if you become an addict you crave stronger and stronger doses in order to keep up the effect. The end of the drug addict, and of the nation resorting to inflation as a permanent policy, is the same. The end is collapse and destruction.

During the 10 long years of the present administration the American economic system has persistently been injected with doses of inflation. The dose has been designated by more innocently appearing labels, like "reflation" or "deficit financing," but the more polite name

does not alter the evil effects of that deadly dangerous economic drug, properly called inflation.

Tens of millions of Americans today receive their wages and salaries in fresh new dollar bills, or through checks on new Government bank deposits. These salaries and wages mean purchasing power. They represent the means of paying rent, of buying food, of getting a pair of new shoes, or a hat, or a movie ticket. Now, where did that purchasing power come from? From the Government, you probably will answer. But I ask you again, from whence did the Government get that purchasing power to hand to you on pay day? Some of it the Government got from your taxes. Some of it came from your bonds. Some of it is simply fictitious; and this fictitious part of the purchasing power dispensed by the Government creates the process we call inflation. When the Government wants your work, the products of your farms, the goods you manufacture, and has not the economically sound means of paying you, it nevertheless gets what it wants by a very simple device. It is indeed unfortunate for humanity that this device is so simple that the temptation to resort to it has rarely been resisted by those wanting more than they can get by legitimate means. That process is the simple one of issuing Treasury bills or similar obligations, and then discounting them at the central banks, thereby creating deposits against which Government checks may be drawn. Of course, the result of such a policy is an ever-increasing public debt. On October 15 the total gross public debt and guaranteed obligations of this country amounted to over \$168,000,000,000. At this time each man, woman, and child in this Nation is responsible for a public debt of some thirteen hundred dollars. Last year at this time the individual responsibility was only \$700. Ten years ago, when this administration took over and began the mishandling of the affairs of this country, the per capita debt of each individual was a mere \$190.

Every month the Government pays out about two and one-half billion dollars more than the Government has available for payment. In so doing, it goes deeper and deeper into debt, and two and a half billion dollars of inflationary money goes into circulation. Now more money would be quite all right, provided at the same time a proportionate increase in consumers' goods available for purchase were created. In that case, we should all be better off. We would be able to buy more of the things we want than we ever could before. But, as you all know, such is not the case. All we civilians can buy with our money is the left-overs after the demands of our armed forces have been supplied, and after more than a billion dollars worth of goods a month have been shipped overseas as gifts to our British and Russian allies, and to other nations to which we play Santa Claus under the terms of lend-lease. The reduced supply of consumers' goods certainly shows no tendency to grow.

With evermore billions of dollars distributed in wages and salaries, it is no

wonder the supply of money and the supply of goods available get out of balance. An unbalanced condition as between purchasing power in the hands of the people, and the purchasable amount of goods and services arises. That, in popular language, is called an inflationary gap. In reality, of course, there is no such inflationary gap. Every dollar will either be spent, saved, or taken away in taxes. If the supply of consumers' goods and services were fixed, and the amount of money were doubled, the same transactions of purchase and sale would take place as before, but the level of prices would double to the benefit of nobody. That is the way in which inflation, engendered by excessive Government spending, exercises an upward pressure on prices.

Of course, the Government can put ceilings on prices, but it cannot force people to produce if their production costs rise to a point where the ceiling prices do not permit a profit. If we try to fix prices under such circumstances, the goods simply will disappear, because the Government's price policy restrains production. I do not know whether or not you noticed the other day that even the Secretary of the Treasury, Mr. Morgenthau, was liquidating his herd of fancy dairy cattle, because the cost of milk production was greater than the price he received. If you cannot stop costs from rising—and you can do that only to a certain extent—you have the choice of letting prices rise or of going without the goods. Of course, there is a third escape, called the black market, but that is a most undesirable and illegal expedient.

In the early stages of our wartime crisis, many people seemed to be rather impressed with the benefits of inflation. They thought the vastly increased Government spending would make it possible practically to eliminate the curse of unemployment, to create jobs for women and young people who had not theretofore been gainfully employed; that wages would rise, temporarily, even faster than the cost of living. Many believed prices on farm products would finally reach the so-called parity with prices on industrial commodities. So, as I say, inflation is like a drug. At first it has a very pleasant effect. We have now reached the point when the ill effects—the suffering—begins, and to most of us that is anything but pleasant. Unrest is spreading all over the country; in the coal mines, on the railroads, in the factories, and even on the farms. People are beginning to listen when demands are being made in Congress for economy in Government spending. It is being pretty generally realized that the over-sized administrative machinery is far from efficient; that we are paying the salaries of hundreds of thousands of Government employees whose services could be ended without any loss to society, any loss of efficiency, or any let-down in the war effort.

A demand is growing for economy even in military expenditures. Many sins can be covered by the cloak of so-called military necessity, as was shown on November 4 when the House of Representatives reduced the first supplemental national

defense appropriation bill by 82 percent below the Budget estimates. This was a reduction of nearly \$1,000,000,000 in this bill alone.

In recent weeks, particular attention has been drawn to the tremendous volume of goods of all kinds, and services of all kinds, which have been and are being given away to foreign countries. It is true that, comparatively speaking, this country is a rich country, or perhaps I should say, this country has been a rich country. Whether we can afford to continue to distribute gifts at a rate of over a billion dollars a month is another matter, inasmuch as we have to go into debt in order to make those gifts. We all know that Mr. Stalin thinks of Russia first.

We are increasingly aware that Mr. Churchill's first concern is for Great Britain and the Empire. It is high time that we in this country place America first, and put some brakes on the wild schemes to supply the whole wide world with the goods our own people must go without. The day has come, and it is not here for a day, but for the rest of our lifetime and perhaps the whole of the lifetime of our children and our grandchildren, that we will suffer under a crushing tax burden. Later we will have to struggle to pay the interest on the loans our Government made in order to give away the products of this country to the peoples of other nations. It is inexcusable that no definite arrangements have been made whereby those people, who now receive all kinds of goods and services free from this Nation, shall some time, in some way, help lighten the economic burden of our people, a burden very largely incurred to help them in their days of trial.

In the meantime, the Government goes on with its inflationary policy. Every month, two or three billion dollars are added to the sea of economic morass in which we are sinking deeper and deeper. Instead of going to the roots of the disease, and curtailing expenditures, the Administration would resort to all kinds of subterfuges to postpone the day of reckoning with the American people. One of these devices is represented by Governmental subsidies under a wide variety of forms. To conceal the fact that costs rise, and that prices consequently must rise if production is to continue, the Administration proposes to pay subsidies to producers and processors. Instead of admitting that production would cease if the price of milk is not raised, the Administration prefers to fool the public by suggesting that prices shall be kept down and that the Government will pay the difference between the real price and the sales price. I do not believe that those who think this problem through will be fooled by such a proposal. They will know that the subsidies will be put on their tax bill, together with the staggering costs of administering the subsidies. They will see that the subsidies will have to be increased continuously in line with the growth of inflation. Subsidies do not prevent inflation when they retard the rise in sales prices. Subsidies add to inflation by pouring more purchasing power into the economic

stream and by forcing the Government deeper and deeper into debt. It is high time that we all sober up and reject an economic policy that has brought this rich and prosperous Nation to the very verge of bankruptcy.

Insofar as tax money is money earned through production of goods and services, no inflation results in the economic system but a distribution of purchasing power does result. This is not, as some people fondly believe, a share-the-wealth operation. It is a share-the-poverty operation inasmuch as it compels the taxpayers to pay part of the cost and profit of the production of goods and services which, normally, would be recovered in prices at the retail counter.

But where these subsidies are paid, as this administration wants them to be paid, out of governmental deficits, which give rise to fictitious purchasing power, then these subsidies become, not only a share-the-poverty operation, but they become dangerously inflationary as well.

When the Government undertakes to bestow subsidies through money created by deficit financing which does not represent goods and services produced, the administration is knowingly and secretly administering the drug of inflation to the American economy. If we travel very far along this road, we will end up in the abyss of ruin and economic chaos.

Mr. Chairman, it has been my privilege this morning to review the last of the two measures known as the anti-inflation bills enacted by the Congress. Both these measures contain the exact provisions insisted upon by the President of the United States. He assured the Congress and the country that if given these bills, he could and would throw every protection around our economy, and that inflation would not take place. No one questions his authority under the act as amended to do exactly as he then promised to do. It must be perfectly apparent to everyone, however, that a rather large measure of inflation has occurred since these powers were given to the President. His failure to control the same was not through lack of legal powers to do so, but rather his neglect to exercise those powers. I think anyone familiar with all the facts will agree that if inflation has occurred—and it has—the responsibility therefor can be placed directly upon the President of the United States.

Mr. Chairman, I have reached the conclusion that the administration program of rolling back prices, of paying subsidies, of still further increasing our national indebtedness, and still further expanding the bureaucracy which at every hand stifles and irritates the people of the country, will for the reasons I have set forth, induce inflation rather than curtail it. Notwithstanding the provisions of the bill before us, the President can, even though the measure were enacted into law, stop inflation exactly where it now is. If the President up to date, with all the powers he has under the law, has not curbed inflation, certainly he cannot now do so through the medium of roll-back of prices and subsidizing of activities, which in my judgment is in itself dangerously inflationary.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. I ask unanimous consent to revise and extend my remarks and include therein certain statements and excerpts relative thereto.

The CHAIRMAN (Mr. WALTER). Is there objection to the request of the gentleman from Texas?

There was no objection.

INFLATION NO. 1 PROBLEM ON HOME FRONT

Mr. PATMAN. Mr. Chairman, the real key to all of the problems on the home front is in the fight against inflation. From the lessons learned as a result of studying the movement of prices during World War No. 1 it is perfectly evident that a completely uncontrolled economy in wartime results in disastrous dislocations and unequal distribution of hardships. This fact is obvious from the figures which I presented here in this House on November 1, wherein the figures showed specifically that the farmer's position was worse in World War No. 1 than it is now.

EVILS OF UNCONTROLLED INFLATION

From the lessons which we all must have learned as we watched the actual operation of uncontrolled inflation after the last war in various foreign countries, we can easily envision two definite results: The first result is an almost complete destruction of the values of those things which we, all of us, have learned from infancy represent the true worth of our country, and of our business structure, and of each individual; second, we know that with uncontrolled inflation the dollars' cost of a global war such as we are involved in now would become so huge that we would be led into the ultimate of absurdity in our fiscal system and the very real necessity of abrogating debts which no conceivable plan of taxation could ever hope to pay.

STABILIZATION DESIRED

It has also become perfectly apparent that all of our people desire during this wartime period to prevent inflation and to stabilize the economy insofar as it is humanly possible. Further, the people of this country, no matter whether they express it in these words, understand that to win any fight against inflation it is impossible to divide the country into classes or groups and to stabilize in one direction and not in another. It is impossible either by legislation, directive, or regulation to attain the goal of stabilization by favoring any one group because that can only be done at the expense of all others. If this sort of thing is tried the very human demand will arise from all the other groups that they too be favored, and thus there will be generated the step-by-step movement of inflation which will end no one knows where.

LEGISLATION AND ADMINISTRATION NECESSARY

The main principle of controls established to prevent inflation and to stabilize the economy lies in legislation and administration which does the job equitably insofar as that is humanly possible. This stabilization must be done

upon a firm foundation of a knowledge of the facts and not upon the shifting sands of wishful thinking or political pressures. When I say these things, I am not becoming a member of any group of fanatical dreamers, reformers, or idealistic doctors of economy. I am a member of the huge majority of the people and the businessmen of this country, who have always, and still do, state unequivocally that they do not want inflation.

HISTORY OF PRICE CONTROL AND STABILIZATION

Because of the very peculiar reactions of certain Members of the Congress, I think it is necessary at this time to retrace the history of price control and stabilization. Before the first legislation was had, an agency set up under the President's war powers did some very fine work in bucking the tide of inflation on a purely voluntary basis. The agency people realized that this voluntary situation could not continue. With huge amounts of money in the hands of many people, which they wanted to spend for goods and services, it was evident that a voluntary system would break down under the pressure of buying power, particularly as both goods and services became scarce as the war continued.

FIRST PRICE-CONTROL ACT

The first piece of legislation, therefore, resulted in the establishment of an Office of Price Administration. This bill was introduced as H. R. 5990 and was passed in January 1942, it being shortly thereafter signed by the President and thus becoming law. This legislation was carefully considered by all the Members of Congress. Numerous hearings commencing in August 1941 were held, and every phase, yes, in fact, every word, given careful scrutiny and analysis.

There, of course, were many differences of opinion, but the final vote here in this House showed that the majority believed that the country wanted and needed the legislation. The vote resulted as follows:

Against:	
Democrats	64
Republicans	93
Total	157
For:	
Democrats	167
Republicans	56
Total	223

The administration, and particularly the Office of Price Administration did not immediately thereafter rush into violent action, but in April of 1942 did put out an all-embracing order known as the General Maximum Price Regulation which froze the prices of most of the important goods and services as of the March level. This action was taken because by that time it had become completely apparent that inflation was definitely on the way. Of course, such a method as an over-all freeze was bound to catch some people at a disadvantage in their position. Therefore, immediately after the establishment of G. M. P. R., O. P. A. started on a job of

tailoring a regulation for every industry on an individual basis. During the time when G. M. P. R. was in effect, and when the individual regulations were being developed and written, complaints about price control began to develop. Sometimes the complaints were due to purely selfish interests of industries or groups; sometimes they were due to honest differences of opinion between business and O. P. A.; sometimes the complaints were due to mistakes which O. P. A. made. But with all of these complaints during this period no one suggested that price control be eliminated. Everyone recognized that the attempt to hold inflationary tendencies under control by the method of price control had to be for the benefit of everyone, and would probably at some point or other hurt practically everyone.

NO INFLATION CONTROL WITHOUT INEQUALITIES

It is unrealistic thinking to say that you can have inflation control without hurting anyone just as it is unrealistic to say that you can win a battle without casualties.

CRY OF "GET RID OF PROFESSORS"

Price control was new to our people and there was not very much known about the science of doing the job by anyone in this country. In particular the businessmen of the country never having envisioned such a control in our economy, did not know much about it. Gradually, therefore, there grew up a feeling that all of the Government agency people were professors, lawyers, or long-haired reformers. The cry was "get rid of the professors and get businessmen."

UNDER COVER PLAN TO KILL PRICE CONTROL

Not so loudly in public, but nevertheless definitely, a small group of our bigger businessmen developed the idea that all controls were wrong and that we would be better off if controls of any kind would be eliminated. Considerable work was started under cover to kill the whole idea of price control and stabilization.

SECOND PRICE CONTROL ACT OR STABILIZATION ACT

During the summer of 1942 it became apparent to the Members of the Congress, or at least to a large majority, that there was some strengthening need, so that the President and the administrative agencies could really cover all elements of the inflationary movement. So then on October 2, 1942, there was passed what is popularly known as the Stabilization Act.

The Democratic Members of this House who voted for that measure honestly believed in its necessity. Did the Republican Members of this House also believe in its necessity or did they see a chance to vote for a measure which in effect they hoped would be the dropping of a hot potato into the hands of the President? Did they hope that it would burn and embarrass him? Let us look at the votes for this measure:

For:	
Democrats	155
Republicans	128
Total	283
Against:	
Democrats	70
Republicans	25
Total	95

I would like to call your attention to the fact that this vote showed a larger majority of all votes in the House for the Stabilization Act than for the original Price Control Act. I would also like to call your attention to the fact that while 56 of our honorable opposition of the Republican party voted for the Price Control Act, that 128 voted for the Stabilization Act. Why did 72 more of our honorable opposition vote for the Stabilization Act? I trust that they did so out of the very real desire to insure that our country would not face a terrible inflation.

APPROPRIATION FOR O. P. A. INSUFFICIENT FOR ADEQUATE ENFORCEMENT

Shortly after the passage of the Stabilization Act, under which the Administration immediately went to work trying to carry out the mandate of the Congress, the problem of an appropriation for the Office of Price Administration came up. The net of the history in this particular action was that thirty millions were eliminated from the appropriation even after many hearings developed the fact that to do a good job the agency really needed the money, especially to do a good job on enforcement. The elimination of this thirty millions was done right in the middle of the very serious and unpatriotic wave of black market development and of racketeering to evade price and rationing regulations. It would seem to me that once the Congress had decided upon a course in respect to inflation and stabilization and had then by legislation directed the President and certain Government agencies to do a job and had given them the power to do the job, that the least the Congress can be charged with is a most peculiar line of reasoning to have so limited appropriations as to have hampered the very work that Congress had decided formerly was necessary. How did this vote come out?

Votes for reduction:

Democrats.....	26
Republicans.....	156
Total.....	182

Votes against reduction:

Democrats.....	135
Republicans.....	11
Total.....	146

It appears that almost the total number of our honorable Republican opposition who voted on the measure actually voted to hamstring price control and stabilization in this matter of necessary appropriation. Does this mean that our honorable opposition saw an opportunity to make the Democratic administration continue to handle a difficult problem without the necessary funds? Did this give our honorable opposition a chance to say, "Go thou and do thus-and-so," but "there will not be allowed you the means to do thus-and-so"? Did they expect the Government to make bricks without straw? Did this action on the O. P. A. appropriation come from the same astonishing minds of our honorable opposition as the action on the O. W. I. appropriation? The O. W. I. was doing a good job combating inflation, and practically the same Members who voted

to cripple O. P. A. also voted to eliminate the appropriation for O. W. I. that was used to fight inflation—another Republican vote for inflation.

WHO IS RESPONSIBLE?

Let it go into the record that to the eternal credit of the administration of the Government agencies, particularly O. P. A., and of the businessmen of this country that cooperatively they all tried to stop black markets and racketeering as best they could without the manpower needed to do the job. But these rotten things still exist, and you can charge their continued life to the vote of those Members who cut the appropriations.

COMMODITY CREDIT CORPORATION

Now we come to the middle of the summer of this year in which the bill was introduced to extend the life of the Commodity Credit Corporation. The bill was finally passed in such a form that the President found it necessary to veto it. I do not believe I need to rehearse all this very recent history, but I do think I should ask whether or not that first Commodity Credit Corporation bill as passed was not part and parcel of a design to destroy stabilization. I would probably not ask such a question if anyone, anywhere, of any political party in this House, had ever suggested any other method to establish stabilization than that of subsidy, properly used.

PEOPLE COMPLAIN ABOUT MISTAKES

After the President vetoed this bill another was brought out which continued the Commodity Credit Corporation for a temporary period. Evidently our honorable opposition felt that this was the proper and safe thing to do because they felt sure that during the recess which came shortly thereafter, all Members of Congress would go home to find the country rising up en masse asking for the destruction of price control and stabilization. But the people did not rise up en masse asking for this destruction. They did complain; they did criticize; they did argue, but they never said to anyone that they didn't want any more control and that they would welcome inflation. I am talking about the vast majority of the American public and not the selfish few who think that they can ride out inflation to their own personal advantage. I am talking about the small businessman, about the professional people, about labor; yes, and the vast majority of farmers and all those people—over 14,000,000 of them—living on stable incomes which have not risen during this war. I am talking about the soldiers, the sailors, and marines and their families who don't want inflation, and who have unmistakably in vast majority said so not only to Democrats but to Republicans.

MORE EXPERIENCED MEN USED BY O. P. A.

During all this period since the first price control legislation the President, Mr. Jimmie Byrnes, Mr. Fred Vinson, and all of the Government agencies and bureaus involved have worked very hard to obey the congressional directive to stabilize. During this period the various agencies have brought in more and more practical and experienced businessmen. I really believe that there has been an im-

provement in the methods of price control and stabilization. I believe that the regulations are generally clearer and are more simple. No one can really criticize the good work which has been done in rent control and rationing and the food production program. There are only a relatively few of the price regulations out of over 400 which O. P. A. has put out which caused the most complaints and wherein there were the most mistakes made. These regulations either have been or are in the process of being revised. The work of revision is being done in conjunction with a system of industry advisory committees which have been extended to every possible industry and many parts of industry. The whole approach so far as I can determine is more realistic and more one of partnership between Government and industry.

OTHER AGENCIES DOING A BETTER JOB

I think that this is true of all agencies of the Government. W. P. B. has done the same kind of a job. The War Food Administration is doing it also, using many committees made up of producers, processors, retailers, and consumers. So far as I can determine the people of the United States and the war agencies are actually cooperating efficiently and learning now to do the job that this Congress directed the President and the war agencies to do. Business, labor, many farmers, and Government agencies are all working together because they believe in the absolute necessity of keeping inflation out of our system. It seems that only the Congress is not a member of the partnership. It almost seems to me on the record of votes we can say to our honorable Republican opposition, that they are the principal ones who are not members of this partnership which is now working to get the job done. I should judge that they would not hold out from being partners on any other basis than one of honest differences of opinion. I should judge that in this time we certainly could not charge them with playing politics, could we?

O. P. A. NOT THE CAUSE OF ALL MISTAKES

There has grown up a habit here in Congress of blaming our own creation, the Office of Price Administration, for any and all mistakes of any of the Government agencies. We make O. P. A. the whipping boy and yet it is the one important war agency which was created by an act of Congress. Are we falling into the error of whipping ourselves? Why do the selfish, the disgruntled, the opposition constantly pick on the child which the Congress gave life to? Why is it that those who are trying to do what Congress, representing the people of this country, wanted done, control inflation and stabilize our economical life—why is it that those very people and agencies are the receivers of the blows of objection and political attack upon the operation of the home front? Why is it that the opposition frequently does not even stick to the facts? Why is it they do not get the facts, or they do not get all of the facts?

ARE SUBSIDIES ONLY FOR THE FEW AND SELFISH?

The opposition cries out against subsidies. Is it just because the President

and the agency we created want to use subsidy because there is no other logical method? It seems to me that the use of subsidies as represented in Republican tariff after Republican tariff should now be so completely acceptable to the honorable opposition that there would be no question of the use of an internal subsidy which the facts show benefits everyone. Do our honorable opposition believe in subsidies only for the few and selfish; do our honorable opposition think that by attacking the subsidy program to hold down the price of food as being un-American, that they themselves are being logical or politically sound? Do they believe that they can sustain this remarkable inconsistency by calling upon the name of the farmers?

SUMMARY

What does this all add up to?

First. Realizing that the country wants inflation control and wants the economic position stabilized, the majority of both Democratic and Republican Members of this House voted overwhelmingly for the Stabilization Act which followed and buttressed the first price act;

Second. I do not want to doubt that this vote was an honest one and reflected the desires of the vast majority of our constituents, and if this is true, the opposition is on record, just as our party is on record.

Third. Because mistakes were made by human beings who worked long hours trying to do the right thing on your assigned problems and because of selfish pressures from some well-known spots there seems to me to be by the record of votes a move by our Republican friends to constantly and consistently undermine their own work in every possible direction. Surely it cannot be that our opposition Members are saying that they are doing all this for the sake of the farmer, when actually they know that they are doing it all for the sake of a small minority who want inflation, or for the sake of just hampering the administration in the middle of a difficult wartime situation. After all, Republicans must be just as patriotic as Democrats.

Fourth. Is this all the evidence of an old political trick where you appear to help your opponents when your voters at home tell you you have to and then you try to crucify your opponent on every move thereafter? Surely none of us can be so short-sighted as to crucify the Commodity Credit Corporation, and thus destroy support prices for the farmer simply because there is some kind of a political point to be gained.

CONSTANT BICKERINGS AT HOME

Fifth. Frankly, I cannot conceive that this constant evidence of disunity amongst us in the Congress is entirely a matter of honest division of opinion. Yet all of us know that we continue to weaken our position at home. All of us know that these constant bickerings sicken the man in uniform and we know that he will not forget. Some day he will put his memory to practical use, and when that day comes he probably will make a clean sweep of all of us who fail

now to back him up. I, for one, say he should make a clean sweep.

What is it that is necessary to be done? It is very simple; we want all the food production we can get; we want a decent living standard for every man, woman, and child in this country; we want to stabilize our economy so that no class or group is favored beyond any other; we want to strive mightily to preserve ourselves intact.

Now surely the path this Congress is going down at present is a piece-meal killing of any and all opportunity to stabilize the national policy of this country in respect to the home front, thus doing what the voter wants and our own good sense tells us is needed. That is not sound politics for either Democrats or Republicans, that is just stupidity on our part. If you do not like subsidy, show us something better. I do not like war, but I cannot show any method of exterminating the evils of dictatorship and aggression except by war.

CHILDREN'S PARTY

Are not we being a little bit like the "Children's Party" which the very famous author by the name of Ruskin wrote about? You will remember that the children came, dressed in their best, to a beautiful house and a beautiful garden to play, with all the toys in the world at their command. But one selfish little fellow decided that the most valuable thing to him were the brass tacks that studded the furniture in the house. So he started to pull out brass tacks, and he convinced all the other children of the value of brass tacks. Thus the party ended in the destruction of furniture, fights amongst the children, and the elevation of useless brass tacks to a position of first importance. I am sorry to say that the recent gyrations here in the House remind me of this story. I am sorry to say that the selfish little boy after the brass tacks reminds me of some of the honorable opposition. If the opposition wants to "get down to brass tacks" why do you not just abolish all controls. Then the wrecking of our house and garden will be an honest job.

PRESENT BILL, IF ENACTED, WILL PRACTICALLY DESTROY SUPPORT-PRICE PROGRAM

Some of our Republican friends, and especially the gentleman from Michigan [Mr. WOLCOTT], on yesterday—page 9804, CONGRESSIONAL RECORD of November 18, 1943—have contended that H. R. 3477, as reported out by the solid Republican vote, would not destroy the farmers' support-price program. Insofar as the support-price program involves the Government in a risk of loss, this Republican view is plainly erroneous. As to this, we do not need to speculate. On October 21, 1943, Marvin Jones, the War Food Administrator, who must administer every support-price program, wrote a letter to the gentleman from Alabama [Mr. STEAGALL] opposing this Republican bill.

Marvin Jones stated in his letter of October 21:

If section 3, in its present form, is included in the bill, it will practically destroy the support-price program. Carrying forward

the support-price program will involve some losses. This, however, would apply only to the commodities where the support price must be above the level of ceiling prices if we are to secure the necessary in food production.

The support-price program for this year has involved the loss of only about \$350,000,000. It has resulted in tremendous production. We will need even greater production in the coming year. The adoption of the bill would force a complete change, embark us on a course of great uncertainty, and jeopardize, beyond measure, our prospective 1944 production, which is vital to the war effort. This program has not only enabled us to realize these goals but to secure production in excess of the goals that were established.

I do not see how any statement could be plainer than that. Those who would enact this bill into law are driving a knife into the farmer's heart by destroying the support-price program and are threatening to impair the production of vital foods for our armed forces, our allies, and our civilian population.

Mr. BROWN of Georgia. Mr. Chairman, I yield 8 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, the bill before the House has to do with the question of continuing the Commodity Credit Corporation as an agency of the United States, of which of course we are all in favor, and for other purposes. In the ramifications of this bill, naturally the O. P. A. becomes involved. Also, there are questions involved dealing with whether or not we are going to continue subsidizing certain food products and other commodities. To a great extent we have already adopted the use of subsidies in connection with our war program.

I do not believe there is a Member of this House who would want to wipe out our price-control program. However, neither do I believe there are very many Members who are not disgusted with the manner in which the price-control law has been administered. It has been condemned throughout the country for its inefficiency, confusion, and incompetency. That it has saved the Government and the people tremendous sums of money many doubt. However, I believe from the information we have that it has saved money. The O. P. A. claims that a saving of \$67,000,000,000 in the purchase of war materials alone has been effected which would not have been saved had the prices of these materials gone uncontrolled. The same agency of the Government claims that the consumers have been saved \$22,000,000,000 because of the generally lower cost of living in this war. Maybe these figures are inaccurate and maybe not, but the fact is that a responsible agency of the Government has officially put them out and until their inaccuracy is shown, it seems fair to accept them.

Do not think for a moment that I take the position that this saving is due in any considerable degree to the use of subsidies—far from it. However, I do not become excited over the use of subsidies. We have seen them used directly and indirectly since the first tariff act was passed approximately 150 years ago.

Alexander Hamilton said at that time that if industries are to be protected by a tariff the farmers of the Nation should be paid something not by way of a bonus, gift, or subsidy, but by way of restitution to put them on a basis of equality with industry. In addition, we have seen railroads, newspapers, other means of transportation, of both persons and property, and mail subsidized. We have seen commodities of nearly all kinds, including some of the farmers' products, subsidized for years and years, and nobody raised much of a howl. So much for subsidies at the present moment.

I want to make it clear that the present program is entirely unsatisfactory, and the use of subsidies thus far has not been productive of any particular benefit to any person other than the processors. This Congress by the act of October 2, 1942, not only empowered the President of the United States to fix all prices, wages, and salaries and items that go into the cost of living on the basis of prices existing on September 15, 1942, but directed him so to do, giving him discretion in correcting gross inequities, and so forth. Congress did its part.

If prices have gone beyond those prices of the dates mentioned in the act, the fault lies with the administration of the act and not with the Congress. The President should have pegged the prices right then as he was directed to do by the Congress. The Congress cannot administer its acts. If we are to believe the economists of the two leading labor unions, it would appear that the cost of living has gone up an additional 7 percent, beyond the 15 percent under the so-called Little Steel formula, since the passage of the act. Canada in 1941 fixed prices, wages, and so forth, and supplemented that program with a restricted use of subsidies and it is claimed that living costs have advanced only 3 percent.

In the over-all picture we must not lose sight of 15,000,000 unorganized workers in America who are now very near the end of their economic rope. Their living costs and taxes have gone up, but their incomes are what they were before the war. We must keep an eye to their interest as well as to the interest of the farmer, stockman, and union laborer. If this group of people are benefited by the subsidy program, it is worthy of serious thought before scrapping this program in its entirety.

I find plenty of fault with the subsidy program so far as the producer is concerned. He is not benefited by it. We can take for instance the cattleman and sheepman—I have first-hand knowledge of the fact that, this fall, through manipulations of the packers, the packers were able to push down the price of sheep from 4 to 5 cents per pound—getting the carcass almost for nothing, in this way, the packer is paid a subsidy of 95 cents per 100 pounds (\$1.10 in the case of beef, and \$1.30 in the case of pork). This subsidy was supposed to take care of the roll-back in prices under the act of October 2, 1942. On top of that the packer was paid, although I am informed that this practice has stopped, from \$2 to \$4 by the Government for each sheep

pelts. These pelts were being used for aviator's vests. I understand from five to seven million pelts were bought for that purpose, but, in any event, the packer gets the wool from the sheep in addition to the subsidies as well as the offal of the sheep for fertilizer purposes. You will see from these figures that a sheep weighing around 110 to 112 pounds as it goes to the packer and for which he pays 4 or 5 cents per pound, is almost clear to the packer with the carcass nearly all profit. Sixty percent of the carcass is meat that is sold by the packer at 16½ cents per pound. Now that means the packer is making about \$8.48 on that sheep. The cost of slaughtering and distribution is estimated—by the packer—at \$1.42, so when we come down to brass tacks, the packer is the boy making the money. I am informed that they are making more money today than ever before. The subsidy is not working at all to the benefit of the grower of either cattle or sheep or to the consumer.

It is interesting for us to know just what these profits are. The O. P. A. revealed last week, after a careful study, that the profits of the packers had jumped to over four times the average of 3 pre-war years, 1936–39. This study, which covered 53 companies handling 85 percent of the Nation's meat production, showed the aggregate profits of the packers in peacetime to be \$24,971,000 a year, but that now this figure has jumped to \$108,613,000 for 1942. The top group, which does 70 percent of the total business, rolled up 336 percent more profits, from \$23,476,000 to \$102,322,000. The medium firms rose even more, by 638 percent, from \$717,000 to \$5,293,000.

These huge profits are coming out of the hides of the producers as well as from the consumers, and the producer, being a consumer also, gets hit twice. I always contended the liquor dealers and the saloon men, owing to the roughshod manner in which they carried on their business, were the cause of prohibition. You will also remember the policy of railroads that "the public be damned"—until Government ownership loomed. Then they commenced to realize that the public was not impotent to act. Let the packers beware and stop, look, and listen before they proceed during this wartime to rob both the consumer and the producer through their monopolistic practices. Let us not be too harsh in our criticisms of men going into the bowels of the earth and of those engaged in other industries for their daily wage, when they see these exorbitant profits that are being made and as a result feel they should get something additional.

The use of subsidies will never be passed on to the producers or the consumers by the packers under the present system. They are simply adding to the huge profits of the processors. I have contended on the floor of this House ever since we were threatened with war that the best way to maintain and increase production was by guaranteeing at least cost of production, and the only means by which that can be accomplished is by placing a floor under the prices which may be paid for the live animals, and if we are to use subsidies they can only be

passed to the producers in that way. The placing of a floor under the price of live animals is absolutely necessary regardless of whether or not subsidies are paid to the packer. The ceiling is not the answer to increased production. Ceilings guarantee nothing.

Livestock men must have more assurance of what they are to receive for their product. Otherwise production is going to lag. The wage earner knows what he is going to get when he goes to work. The industrialists know what they are going to receive when they build a ship, and so forth, but the farmer and stockman do not know today whether or not they are going to be paid a reasonable price for their product when it is raised and sold. They are taking the chance, and they are the ones who are producing the food for the Army and Navy, the civilian population of this country, and our allies. You cannot throw them out of the door. Food is vital in winning this war.

Here let me also say that I think the policy of the O. P. A. in figuring the point values on beef as high as they have is no less than asinine—in fact, that might be said of the points for all meat. I was glad to see a recognition of this fact by the Office of Price Administration as reported in this morning's papers that, effective at midnight, a reduction of two points per pound in the ration cost of all pork cuts was to occur. We have the largest cattle population in the United States we have ever had. People want those points lowered consistent with the needs of the Army, Navy, and lease-lend requirements. There is beef everywhere but it cannot be used. The miners, loggers, and other workers of my State who perform heavy, back-breaking work have repeatedly told us that they will have to have more meat to keep up their strength and in turn keep up production.

Prices for farm products and livestock products have been so uncertain that I am afraid we will have a shrinkage in beef products in the coming year. In years gone by we in Montana would have feeder lamb buyers and calf buyers come to our ranches to buy our lambs and calves. None came this year to speak of. Why? Because we had no program to insure feeders against actual losses, much less paying them for their time and feed. The result is that there will be a shortage of fed lambs and fed yearling cattle this coming year. I do not need to tell you that a calf may be brought to weighing 700 or 800 pounds in a short time by proper feeding—producing the choicest and most beef in the shortest of time. The Government must wake up to the fact that we have got to promulgate a program that is going to at least insure our producers and feeders their cost of production. Up to date we have not done this.

We talk a lot about inflation. The present price of wheat is only \$1.59 per bushel in Chicago, the present price of corn is 90 cents, and potatoes were sold in my State for \$1.50 to \$2 a hundred, scarcely the cost of the production. Where is the inflation? The inflation occurs after it leaves the farmer and pro-

ducer. One of the best answers to inflation is increased production. The more there is of a commodity, the less it is apt to sell for. We can increase production if we guarantee a man he is not going to lose his shirt in the process, and we are not going to have increased production until we do that. Increased production is also a fairly good answer to the rising cost of living; it will lower the price. It is production that we must have. So, getting back, if we are going to use subsidies, let us use a floor price and use subsidies to supplement the floor price. Now the Congress has done its part. It gave the President full power, and not only that, but directed him to fix these prices. What more could the Congress do?

In conclusion, let us all, Democrats and Republicans, and all others, throw politics and political schemes out of the window and think only of the boys who are dying, maimed in mind and body and blinded and destroyed in mind by the thousands on the 55 battle fronts of the world, and of the winning of this war. It is not won yet by long odds. It is going to take work. It is going to take unity. It is going to take sacrifices. It is discouraging to me to see these political contentions which certainly are furnishing fuel for our enemies. If mistakes have been made, in the failure to fix prices, wages, and so forth, and if subsidies have to be used to correct those mistakes, if they will enable us to win the war more quickly and bring our boys back home, let us use them or use any means that will accomplish that end.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from South Dakota.

Mr. CASE. The gentleman is making a very fine statement, especially on the sheep situation. This morning I received an official Department of Agriculture report on the lamb feed situation in my district. As a result of the confused policy that has been followed in respect to feeding livestock, the feeder lambs are less than 50 percent of normal.

Mr. O'CONNOR. Yes, the gentleman is right.

As I have said you can pay all the subsidies you want to, but they never go into the hands of the man who produces. You have to get them into the hands of the man who produces if you want increased production, and increased production is a good answer to inflation. Put three suits of clothes where there is only one, three bushels of wheat where there is only one, three calves or steers where there is only one, and you increase the amount to be bid for and the price comes down. It is a fairly good answer to the rising cost of living, also.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is it not also true that the lack of buyers of calves and the lack of buyers of lambs goes right back to the grazing lands in the gentleman's State and in Colorado and Utah, and causes a reduction in the propagation of sheep on the grazing lands in that area?

Mr. O'CONNOR. Why, of course. I want to say this to the gentleman. Many sheepmen have closed out as a result of just what you say. Many cattlemen are also liquidating. There is no guaranteed price for these producers.

Mr. CRAWFORD. And the costs of herders has advanced 200 and 250 percent?

Mr. O'CONNOR. Yes; that is another vital point. I thank the gentleman for bringing that up. We are paying \$125 and \$150 a month today for sheep herders whom we used to pay \$50 a month. We are paying \$150 and \$165 a month for an ordinary common fencer whom we used to get for \$50 a month. Then costs of operation on farms have gone up easily 200 percent.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. O'CONNOR. I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

Mr. BROWN of Georgia. I yield 5 minutes to the gentleman from New York [Mr. LYNCH].

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

(Mr. LYNCH asked and was given permission to revise and extend his remarks.)

Mr. LYNCH. Mr. Chairman, this bill, H. R. 3477, is one of the most important measures that has come before the House since the war clouds first gathered over the country. Although its greatest impact will be felt on the home front, this bill ranks in importance with the military and naval bills which have passed this House.

Therefore, I would ask those who are in favor of this bill in its present form and without provision for food subsidies to carefully weigh the disastrous effect this bill will have both on the home front and on the fighting fronts, if food subsidies are excluded from this bill. I believe that all the Members of this House are deeply patriotic. I have a profound conviction that no Member of this distinguished body would knowingly prejudice the early and successful termination of the war, which has already taken a heavy toll among the youth of our country and has brought tears and sorrow to many American firesides. It is to that sense of patriotism that I appeal today in urging you, my colleagues, not to pass this bill without provision for food subsidies.

This is not only a war of men and arms, guns, ships, and planes. It is an economic war as well. The President of the United States, as Commander in Chief, has ordered our Army and Navy to advance and strike the enemy, and today our forces are advancing victoriously on all fronts. As Commander in Chief the President has ordered that the line of prices be held against inflation, the deadliest enemy on the home front. Do we at home lack the sacrificial spirit of our armed forces? Will we follow the orders of the Commander in Chief to hold the line against inflation, or shall greed for profit break the

home front, while tanks and guns and bombers could not break the fighting front. Pass this bill in its present form and upon this House will rest the terrible responsibility for the break in the price line against inflation, which will come as surely as the British broke the line at El Alamein or the Russians on the Dnieper, or our own brave troops are doing at the moment in Italy. That we, as members of the historic House of Representatives, would do ought to aid and comfort the enemy abroad is unthinkable; that we should do ought to aid our deadliest enemy at home—inflation—chills me at the very thought.

I have the highest regard for the distinguished chairman of the Banking and Currency Committee and for my colleagues who are serving under him. I had the pleasure and good fortune to have served under him for 2 years on that committee. I do not question the motives or the sincerity of those who approved the majority report of that committee, but I could not let this opportunity pass without paying a tribute to the courage, forthrightness, and genuine statesmanship of our colleagues who signed the minority report.

An analysis of controversial section 3 makes it clear that the effect of this bill will be to help the farmer and bleed the consumer. It continues the power of the Commodity Credit Corporation to support farm prices, which is for the benefit of the farmer, but it abolishes the power of the corporation to use any of its funds for making any subsidy or other payment or to absorb losses on any agricultural commodity or commodity processed or manufactured therefrom, for the purpose of reducing, maintaining or in lieu of increasing maximum prices, which, of course, would be an aid to the consumer. All aid to the farmer—no aid to the consumer. Guarantee the farmer against loss, but no protection for the consumer against higher prices. It may be said that the O. P. A. will protect the consumer. If this bill passes in its present form it will mark the beginning of the end of O. P. A., and make no mistake. Without subsidies and without the funds of the Commodity Credit Corporation to absorb losses incurred in reducing, maintaining, or in lieu of increasing maximum prices, the O. P. A. will soon become a thing of the past and the consumer public will be left to the ravages of the wolves.

To the agricultural bloc it seems perfectly fair and just that the farmer should receive all the protection and the consumer none. Thank God we have a President of all the United States, and not a President of just the agricultural States—a man who has the vision to see the difficulties of all the people, not only the difficulties of some of the people, and a man to whom, no matter how this Congress acts, the consumer public can still look with confidence, knowing he will see that they, and all other segments of our population, will not be taken advantage of in these times of war.

I call your attention to the fact that there are millions of people in this country who, being in the white-collar class, have not benefited in the wage scale even

to the limited extent of the Little Steel formula. I cite for you as examples the school teachers, policemen, firemen, and other employees of the States, cities, and municipalities. The report submitted by a minority of the committee truly states the undeniable fact that there are 33,000,000 of our people, many with sons and husbands in the service, who are today less able to meet their ordinary living expenses than they were 4 years ago. Pass the bill in its present form and the total food index will rise 7.294 percent. Can the consumer stand that increase with wages frozen? May I urge those who are in favor of this bill to "Stop! Look! and Listen!" You are heading this country to disaster, for if ever this bill becomes law, labor will demand wage increases to meet the higher cost of living that will be imposed upon it, and the vicious spiral of inflation of higher prices will be followed by ever-increasing demands for higher wages.

It has been said that as a result of the settlement of the miners' wage controversy wages in general will rise. The miners represent only a small percent of the wage earners of the country. The wages of the balance of the workers, organized and unorganized, have been frozen, and in some instances unmercifully frozen. Yet the great wage-earning class has unselfishly accepted the burden that has been placed upon them as part of their patriotic duty and as a contribution to the great objective—an early and triumphant peace. I doubt whether they can be reasonably expected to continue their sacrifices when the agricultural bloc of this House tells them that the sacrifices of their sons and husbands are not enough, that their children must now go without milk, bread, and foodstuffs, so that the farmers of the country, who are receiving the highest prices in 20 years, may squeeze out the last cent of profit from the consuming public. They cannot reasonably be expected to sit quietly by and continue the sacrifices they have been making with the price of milk increasing under this bill a cent a quart, pork chops 4.6 cents per pound, butter 9.9 cents per pound, cheese 7.8 cents per pound, round steak 5.2 cents per pound, and so on down the long line of foodstuffs.

The farmers of this country rightly expect the Government to keep its pledge to support the floor under hogs at \$13.75 per hundredweight. Labor, with no less justification, expects the Government to keep its pledge to maintain farm commodity prices at the September 15, 1942, level. Are we Members of the Congress going to tell the farmers of the country, by the passage of this bill, that we will keep the pledge that was made to them, and at the same time tell the consumer public that we will not keep the pledge that was made to them?

My colleagues, I give you this solemn warning which I trust will be heeded. The ten and one-half million people in New York City cannot continue at their present wage schedules if prices are not reduced. Their rents have increased, their food prices have risen, but in large part their wages and salaries are static

and in addition the Government is withholding 20 percent of their wages and salaries, less their income-tax deductions. Are we so blind that we cannot see we are heading for strikes and food riots? And of what benefit will it be to the farmer? His dollar will be as inflationary as the dollar of the city resident. Inflation is not the enemy of the city resident alone—it is the enemy of the whole country.

A few days ago we increased the allotments to the dependents of men in the service and likewise increased the pensions of veterans of World War No. 1. Now this bill comes along, supported by the agricultural lobby, and the corporation farmers and if passed in its present form, the condition of the veteran and the serviceman's family will be worse than it was before. The increase in allotments and pensions will be an empty hypocritical gesture. Do not try to fool the soldier, sailor, and marine who is serving his country today.

Mr. BROWN of Georgia. I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I ask unanimous consent to insert certain tables at the appropriate points.

The CHAIRMAN. Without objection it is so ordered.

Mr. POAGE. On yesterday afternoon, my distinguished colleague the gentleman from the First District of Texas, who is leading the fight to have Government relieve each of us of a part of our present grocery bill and to require our returning soldiers to ultimately pay this bill for us together with interest and handling charges, challenged the Members of this House to tell us how we can keep down the cost of living and encourage production without the use of subsidies.

Mr. PATMAN. Without increasing prices, that is.

Mr. POAGE. What?

Mr. PATMAN. Without increasing prices.

Mr. POAGE. I said, "Keep down the cost of living." That would mean without an inflationary increase in prices. As a matter of fact the gentleman said: "I challenge any Member of this body to get up, and I will yield to him, who will offer any plan—"

But when a number of us rose, he refused to yield. I do not know whether he wants that question answered or not, but since the whole philosophy of the subsidy people rests on this assumption that this cowardly and selfish policy of requiring our soldiers to do both the fighting and the paying in this war is necessary, I want to answer the question.

In the first place, how will we encourage production? By assuring the farmer that he will receive parity for his products—the kind of parity that the President of the United States described in his message to Congress on September 7, 1942 when he said:

Parity is a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift.

That is what the President told the Congress, the farmers, and the Nation in order to get us to lower the figure at which ceiling prices could be placed on agricultural products. Relying on the justice of this statement, farmers and farm representatives agreed to allow ceilings on farm products to be reduced from 110 percent of parity to parity or the highest obtained price between January 1, and September 15, 1942. This, my friends, is the famous "line" of September 15, 1942, to which the subsidy advocates so often refer. All I ask is that you hold that line, but the advocates of subsidy are not willing to carry out the agreement written into law on October 2, 1942. They do not simply want to hold the line. They want to roll it back. That line fixes the price of wheat at \$1.47 per bushel on the farm. Wheat has been going up rapidly, but the latest figures of the Bureau of Agricultural Economics show that it is approximately 17 cents below that line—yet we are told today that the Government is going to subsidize flour—subsidize flour when wheat is less than one-half of the price it reached in the First World War. The September 1942 line fixes the minimum ceiling on medium beef cattle at \$13.38 per hundredweight. On November 9, 1943, the average price of such animals was \$12.14—\$1.24 below the line. Hogs are substantially below the line. Cotton is almost 2 cents per pound below the line. Are these facts in keeping with the claims of the proponents of subsidies who say they only want to hold the line?

Farmers are just as patriotic as any group. They ask no special privileges, but they do appreciate a square deal. Give them that square deal and they will produce. It is most interesting to find that almost every man in the House who opposed the Pace bill to require the Department of Agriculture to include in its calculation of parity the cost of labor are today supporting subsidies. This House has passed, but the administration has opposed and has refused to carry out, the plain statement in the President's message that "calculations of parity must include all costs of production, including labor costs." Why not quit chiseling the farmers? That might help production.

Why not quit blaming the farmer for starting the spiral of inflation when the spiral has already been pushed far above his reach by other hands? Why not tell the truth, that the Government has by its surrender to organized groups almost at the point of a gun already approved the very shifts that the President said must result in a shift of parity? Why not face the facts? Why continue to say that if farm prices go up wages must go up? Wages have already gone up. Why try to ignore the coal-mine settlement? Why try to say that it is not inflationary? Why try to say that the other wage increases that are about to follow are not inflationary? Why not be fair with the farmer? He would appreciate it. Oh, yes, my friends, the line has been broken all too often, but not by the farmer. So I answer the part of the question about getting production by saying: give the

farmer what we promised him. Give him the price fixed as the ceiling by the 1942 line.

The answer to the first part of the question is similar. The gentleman wants to know how we can keep down the cost of living without subsidies. I refer the gentleman to his own O. P. A. Let this agency, which the gentleman has so often praised, simply apply the ceiling prices that it is authorized to apply. Let it apply these ceilings to all alike. Let the other agencies of Government exercise a little backbone while dealing with Mr. John L. Lewis. Let the people who have the duty and the power to enforce ceilings enforce them at the levels fixed by law rather than trying to effect all roll-backs at the expense of the farmer. Let them concentrate their efforts on the really important necessities of life and let luxuries go up. Why bother with the price of mushrooms? Let people pay any price they will for these items. The more they spend this way the less pressure there will be on the price of necessities. In short, let every Government agency follow the law. The act of October 2, 1942, pointed out the way to hold the line. Let us follow it.

Of course, it would help in our fight against inflation if we would meet the tax issue squarely and collect a much larger part of the cost of this war in current taxes from those who are now making the money. Why not an excess-profits tax all the way down the line on individuals? This is the only way we will ever remove the great accumulation of inflationary buying power now in the hands of those who are receiving the unreasonable wages of the shipyards and the airplane factories—all paid by the Government—and at the same time not work an injustice on those who have had no increase in salary. I favor such a forthright tax policy, but I do not believe that we should allow our failure to meet the tax issue squarely to serve as an excuse for us to avoid our plain duty to pay for our groceries as we eat them.

As a Nation, we are in a better position to pay for the food we eat today than ever before. Expenditures for food in relation to consumer's income are lower today than they were before the war. In July 1943 only 20 percent of the average consumer's income was required to purchase food, compared with 21 to 22 percent in the pre-war years and 25 percent during the depression of 1932-33. If consumers were now buying the same quantity of food as they did during the pre-war years of 1935-39, their expenditures for food would amount to only 16 percent of their incomes.

The data in the following table take into account the fact that many consumers are buying more and better quality foods, eating at restaurants more frequently, and the like, than they did when their incomes were lower:

Expenditures of consumers for food expressed as a percent of total income, 1929-43

Year and food expenditures as a percent of total income:	
1929.....	23
1930.....	24
1931.....	24
1932.....	25
1933.....	25

Year and food expenditures as a percent of total income:

1934.....	24
1935.....	23
1936.....	21
1937.....	21
1938.....	22
1939.....	21
1940.....	21
1941.....	20
1942.....	21
1943 ¹	20

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

Food in terms of consumer incomes and pre-war consumption habits is cheaper today than any time in the last 30 years. If consumers purchased the same quantities of food today as they did during 1935-39, only 16 percent of their income would be required for food expenditures, compared with 20 percent in 1939, 25 percent in 1933, and 33 percent in 1919. Actually, higher incomes have resulted in many consumers buying more and better food, eating more meals at restaurants and the like, than in pre-war years; consequently, consumers are now spending around 20 percent of their income for food.

The data in the following table is based upon the assumption that consumers had not changed their buying habits and were purchasing the same quantities of food as they did during the pre-war period of 1935-39:

Percent of total consumer income required to purchase the same quantity of food as consumed in the pre-war period of 1935 to 1939

Year and percent cost of fixed quantities of food is of total income:

1913.....	28
1914.....	30
1915.....	26
1916.....	24
1917.....	31
1918.....	31
1919.....	33
1920.....	32
1921.....	28
1922.....	26
1923.....	24
1924.....	23
1925.....	24
1926.....	24
1927.....	23
1928.....	23
1929.....	22
1930.....	23
1931.....	22
1932.....	24
1933.....	25
1934.....	25
1935.....	25
1936.....	22
1937.....	21
1938.....	21
1939.....	20
1940.....	18
1941.....	17
1942.....	17
1943 ¹	16

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

Following this thought a little further, we find:

The average weekly earnings of industrial workers increased \$15.49 between January 1941 and July 1943. Dur-

ing this same period a very liberal estimate placed the increase in the weekly food expenditure for a family of four at \$6.24. Assuming that there is only one wage earner in a family of four, the increase in earnings has been much greater than the increase in food expenditures. If the worker purchased the same quantity of food as in the pre-war years, food costs for a family of four would have advanced \$3.84 per week, compared with an increase of \$15.49 in weekly earnings. Part of the increase in food costs has been due to many families purchasing more and better-quality food than when incomes were lower.

Increase in average weekly earnings of industrial workers compared with the increase in food cost for a family of 4, January 1941 to July 1943 (based upon the assumption that there is only 1 wage earner in a family of 4)

	Average weekly earnings of industrial workers ¹	Estimated food expenditures per week for a family of 4 ²	
		Total amount spent for food, including meals at restaurants and the like	Assuming the same quantity of food was purchased as in the pre-war years 1935-39
January 1941.....	\$30.61	\$10.08	\$8.76
September 1942.....	41.79	13.68	11.16
July 1943.....	46.10	16.32	12.60
Increase, January 1941 to July 1943.....	15.49	6.24	3.84

¹ Compiled by the National Industrial Conference Board and published in the Survey of Current Business, U. S. Department of Commerce.

² Estimated from data published in the Marketing and Transportation Situation, September-October 1943, table 6, p. 21. The figures for January 1941 were estimated on the basis of the data reported for 1940 and 1941.

The food-subsidy program as now being applied by the Government amounts to about 11 cents per day for a family of four persons, or 2¾ cents per day per individual. Butter subsidies of 5 cents a pound amount to about 65 cents per year per person. A bread subsidy of 1 cent per loaf would amount to less than \$1 per year per person. The present consumer-subsidy program amounts to around \$10 per year per person.

Estimated effect of subsidies upon the daily food costs for a family of 4 persons

Product	Amount of subsidy per unit ¹	Estimated annual civilian consumption per capita for 1943 ²	Effect on daily food cost for a family of four ³
Butter.....	5 cents per pound.	13.0 pounds.	0.71
Cheese.....	4 cents per pound.	4.9 pounds..	.22
Milk.....	1 cent per quart.	180.5 quarts.	1.98
Meat.....	3 cents per pound.	124.0 pounds	4.08
Bread.....	1 cent per loaf.	92.5 loaves..	1.01
Sugar.....	1 cent per pound.	75.0 pounds..	.82
Vegetables.....	3.5 cents, No. 2 can.	19.2 No. 2 cans.	.74
Potatoes.....	1 cent per pound.	131.0 pounds	1.44
Amount per day for a family of 4.			11.00
Amount per day per individual.			2.75

¹ Based upon or calculated from information released by the Office of Economic Stabilization.

² Based upon data published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

³ Calculated by multiplying the amount of the subsidy by the annual per capita consumption, then multiplying by 4 and dividing by 365.

Now let us see just what has happened to the earnings of industrial workers. The "hold the line" order was intended to stabilize the cost of living and wages as of September 15, 1942. Between September 1942 and August 1943, the average weekly earnings of factory workers in manufacturing industries increased 14.9 percent. During this same period, the cost of living increased 4.6 percent.

Percentage increase in average weekly earnings of workers in all manufacturing industries and in the cost of living since Sept. 1942¹

Year and month	Weekly earnings	Cost of living
1942:		
September.....	0	0
October.....	2.9	1.0
November.....	5.2	1.7
December.....	6.5	2.2
1943:		
January.....	7.5	2.5
February.....	8.8	2.7
March.....	10.4	4.2
April.....	12.4	5.3
May.....	14.0	6.2
June.....	14.7	5.9
July.....	13.1	5.1
August.....	14.9	4.6

¹ Calculated from data compiled by the U. S. Department of Labor, and published in the October 1943 issue of the Survey of Current Business, United States Department of Commerce.

The Little Steel formula allowed for an increase in wages of 15 percent in order to take care of the rise in the cost of living between January 1, 1941, and September 15, 1942. Actually, during this period the average weekly earnings of industrial workers increased nearly 37 percent, compared with an increase of about 17 percent in the cost of living. In July 1943, weekly earnings of industrial workers were 51 percent above the January 1941 level, compared with a 23-percent increase in the cost of living.

Percentage increase in average weekly earnings of industrial workers and in the cost of living since January 1941¹

Month	1941		1942		1943	
	Weekly earnings	Cost of living	Weekly earnings	Cost of living	Weekly earnings	Cost of living
January.....	0	0	22.4	11.1	42.3	19.7
February.....	2.6	0	22.6	12.0	43.3	20.0
March.....	3.9	0.4	24.6	13.4	44.7	21.8
April.....	4.2	1.4	26.4	14.2	47.1	23.1
May.....	8.2	2.1	27.4	15.1	50.0	24.1
June.....	11.9	3.8	29.1	15.5	50.8	23.8
July.....	10.1	4.5	30.0	16.1	50.6	22.8
August.....	11.4	5.4	33.5	16.6	-----	22.2
September.....	14.7	7.2	36.5	16.9	-----	-----
October.....	16.5	8.4	37.5	18.1	-----	-----
November.....	16.8	9.3	38.8	18.8	-----	-----
December.....	17.9	9.6	40.4	19.4	-----	-----

¹ Calculated from data compiled by the Industrial Conference Board, and published in the Survey of Current Business, U. S. Department of Commerce.

In August 1943, the wage income per employed industrial worker was nearly 91 percent above the pre-war (1935-39) average. The cost of living was about 23 percent higher, making an increase in real wages of 55 percent.

Comparison of the real wages of industrial workers with the pre-war average

[1935-39=100]

Year and month	Wage income per employed industrial worker	Cost of living	Real wages
1935-39 average.....	100.0	100.0	100.0
1941: January.....	118.7	100.8	117.8
1942:			
January.....	145.6	112.0	130.0
September.....	167.3	117.8	142.0
1943:			
January.....	173.4	120.7	143.7
February.....	177.2	121.0	146.4
March.....	181.1	122.8	147.5
April.....	184.1	124.1	148.3
May.....	186.2	125.1	148.8
June.....	185.5	124.8	148.6
July.....	186.8	123.8	150.9
August.....	190.8	123.2	154.9

¹ Preliminary.

Data compiled by the Bureau of Agricultural Economics. Cost-of-living index compiled by the Bureau of Labor Statistics. "Real wages" is wage income divided by the cost of living and represents the purchasing power of wages.

At the present time, farm income is 197 percent of what it was during the base period. Industrial workers' weekly income is 457 percent of what it was during the same period. Does it seem fair to reduce farmers' prices in order to aid industrial workers? Possibly those of you who say that this subsidy is not intended for the benefit of industrial workers did not read the letter you received this morning from President Philip Murray of the C. I. O.

The leader of the subsidy forces has repeatedly referred to the subsidy which was paid to certain marginal copper mines. He says it saved the Nation considerable money. I think it did. But the people who are now supporting general food subsidies have never told you that the copper program has not the slightest resemblance to the food program. What happened in connection with copper was simply this. There are certain mines where copper could be produced in small quantities at a high cost. These mines were not being worked and could not be worked at the established price of copper. The Government agreed that it would pay more for the copper produced by these mines than it would for the copper coming from the mines that were already operating at a profit at existing prices. This enabled the high cost mines to produce, and the Nation got some extra copper that way. As to food, what is now proposed is that all shall be subsidized alike. The low-cost producers will be paid the same as the high-cost producers. The very essence of the copper program, its selectivity, will be thrown away. More than that, most of these food subsidies are to be paid not to the producer, but to the processor, which impels me to ask if any Member of this House knows the name and address of one single cattleman who was helped by the roll-back subsidy on beef cattle last June? If such there be, I want to get in touch with him. I had some cows and calves, and I lost, not gained, about 3 cents per pound as a result of that subsidy. Thousands of

others had the same experience. I do not believe that that subsidy is going to encourage many stockmen or farmers to increase production next year.

And what did the consumer get from this subsidy? My distinguished colleague from the First District of Texas has stated on numerous occasions that the consumer saved from \$5 to \$30 for each dollar spent on subsidies. I have, however, yet to hear him explain just how this saving is to be calculated. My wife reports that she was unable to notice any reduction at all in the retail price of beef as a result of the roll-back subsidy, but I have consulted the Bureau of Agricultural Economics of the Department of Agriculture. They could hardly be accused of being prejudiced against subsidies, but they tell me that their figures show that the consumer gets a reduction of 8.9 percent as a result of a 10-percent subsidy. This would indicate that the Nation lost 11 cents out of each dollar spent on subsidies as it was spent and that no man knows how much interest and administrative expense will be incurred before that dollar is repaid by taxes levied on some future generation at some distant date.

Of course, I recognize that in spite of the great increase in the national income, in spite of the great increase in the average income of the average worker, there are many people whose incomes are fixed, people who have had no increase at all. If we are to use the subsidy principle at all, why not take the best parts of the plan that the gentleman from Texas described in regard to copper? Why not use a selective system? Why not help those who need help—those who have not had an increase in income? Why not issue food stamps to that small portion of our people who have had no increase in their income and who need an increase to meet the increased cost of living? Why do you suppose the advocates of these consumers' subsidies want to subsidize Henry Ford and Alfred P. Sloan in order to reach Widow Smith and Professor Jones? Would it not be more reasonable to pay the subsidy only to those who need it? I think that we should recognize the difficult position of our white-collar workers, of our teachers, preachers, pensioners, and so forth. I am willing to aid them, but just because I would be willing to split some wood to help keep some dear old lady warm in a box house does not indicate that I am knowingly going to chop the winter firewood for a family of able-bodied men in brick mansions.

Mr. PATMAN. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BROWN of Georgia. I yield the gentleman 1 additional minute.

Mr. POAGE. I thank the gentleman but I do not want 1 but I would appreciate 2 additional minutes. It is evident that my colleague from Texas is going to take 1 minute to ask me a question. I will need 1 minute at least to answer him.

Mr. BROWN of Georgia. I yield the gentleman 2 additional minutes.

Mr. PATMAN. I said that no Member could suggest a plan that would increase production and not increase the cost of living, without subsidies. Now, if the gentleman has a plan he will be the first one who has accepted the challenge and I hope he will explain what the plan is.

Mr. POAGE. The gentleman evidently did not listen to me in the first place. I pointed out that if the gentleman would carry out the law as it is now written, let the farmer get what the law says he can get for his products, he can get production. I would suggest further that if the gentleman wants to keep prices to consumers lower, that he might establish, and I will vote for it, an excess income tax, touching all groups, clear down to the bottom, so as to siphon off the excess purchasing power in the hands of the people. I would suggest to the gentleman that if the O. P. A., which he has supported so many times, will but follow the law, that gave it the power to establish ceiling prices at parity or at the highest attained prices, he can hold the line, if it is only the line he is interested in holding. But if he wants to roll back prices, of course, that is a different matter. If that is what he wants to do he has got to charge that off to future generations. We cannot roll back present prices without piling up a tremendous debt. That will involve charging the boys who are overseas fighting today for the groceries we are now eating. The advocates of consumer subsidies would make those boys fight the war and pay for the war too. If the gentleman wants to maintain prices where the law fixed them in 1942, he can do it by applying the law as it is written.

Mr. PATMAN. I am still anxious to know the plan.

Mr. POAGE. I have given you the plan. In plain language, follow the law. There is no need to complicate it. My friends, food subsidies have been tried since the days of ancient Rome. Their only lasting result has been the destruction of economic and political institutions. It is easy to inaugurate but very difficult to abandon a subsidy. Any demagogue can promise a gullible public and a job-hungry bureaucracy that it will in some mysterious way relieve consumers of a part or even all of the cost of living. Once fastened on the country, no political party will have the nerve or the power to remove it. It is worse than the drug habit. It passes today's costs on to our returning soldiers. I think those of us who stay home should at least pay our own grocery bill. It will cost less to pay now. To postpone the payment will involve not only exorbitant administrative expense but also billions of dollars in interest. General subsidies themselves are certainly no less inflationary than wage increases.

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has again expired.

Mr. BUFFETT. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier today.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. BALDWIN].

Mr. BALDWIN of Maryland. Mr. Chairman, it is with a great deal of reluctance that I enter this discussion of the Commodity Credit Corporation bill this afternoon. I am the last one in this Congress to stand here and advocate anything that would bring about inflation or disturb any stabilization program of our Nation. I have a great stake in this war, as most of you Members of Congress have. We have more than our own political futures at stake in this decision we are making. I would be very reluctant to vote for this bill if there was any other way of stabilizing prices and controlling inflation, but when the Congress created the O. P. A. it gave to that agency all the power in the world to stabilize prices at a fair and equitable level.

It is only because they have not established those prices at fair and equitable levels and handled it in an efficient manner that they come here today and ask the Congress to give a subsidy to cover up the mistakes they have made. I say that advisedly. In answer to my good friend the gentleman from Texas [Mr. PATMAN] when he asks someone to give him a formula to eliminate subsidies without raising prices, I cannot give him a direct formula, but certainly he was in the committee hearings and there were enough illustrations brought out at those hearings to prove to me, and certainly to him, that had the O. P. A. handled price regulations with a sense of efficiency or with any practical knowledge of the problems they were handling, a great many of the requests for subsidies today would not have been made.

Mr. HARE. Mr. Chairman, will the gentleman yield for an observation?

Mr. BALDWIN of Maryland. I yield.

Mr. HARE. I think the gentleman has voiced the sentiment of a great many Members when he intimates that one of the reasons these subsidies are so distasteful is because of the operation of O. P. A. I hold in my hand a market bulletin from my State, South Carolina, in which a farmer advertises 400 bushels of sweetpotatoes for sale at \$1 per bushel, showing that he has no local market in which to dispose of his potatoes or else he would not be advertising them for sale. On my way to the office this morning I stopped at a grocery store and inquired the price of sweetpotatoes. The groceryman said, "Ten cents a pound," which amounts to \$6 per bushel.

Much has been said in the discussion of this bill about support prices, but I am unable to see where the support price for the farmer or the subsidy price for the consumer has been of any benefit to either because if support prices were of any benefit this farmer would be getting more than a dollar per bushel for his potatoes and if the consumer had been protected or benefited in any way he would not be required to pay \$6 a bushel for them. If this illustration is representative it forces me to the conclusion that the price-control program has failed in its purpose and is disappointing to both the

producer and the consumer. I do not know whether the illustration is representative or not but I do know this paper I hold in my hand was issued just 1 week ago by the commissioner of agriculture in my State and that sweetpotatoes are selling for 10 cents per pound in the District of Columbia today. A farmer offering to sell 400 bushels of sweetpotatoes for \$400 in South Carolina, yet consumers here, and I assume elsewhere, are obliged to pay at the rate of \$2,400 for a corresponding amount, a difference of \$2,000. The support-price subsidy or the consumers subsidy do not seem to have benefited either. There seems to be something wrong somewhere and it does not appear that a subsidy has been able to correct or improve the situation.

Mr. BALDWIN of Maryland. The gentleman is entirely correct. That is just one of many illustrations.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for a statement, not for a speech?

Mr. BALDWIN of Maryland. I yield.

Mr. AUGUST H. ANDRESEN. I may say that according to labor statistics the cost-of-living index for potatoes has advanced 59.4 percent since September 15 of last year.

Mr. BALDWIN of Maryland. I just want to give one illustration since the gentleman from South Carolina used the sweetpotato example. I wish to refer to some testimony which came out before our committee and with which you are familiar if you read the hearings. That is the case of canned spinach. Baltimore is one of the spinach-canning centers of the country. During the last Spring season when Maryland spinach was at its height, the O. P. A. set a price of \$.89 per bushel wholesale on spinach sold to the market trade. At the same time they put a ceiling of 48 cents on spinach to the canner. They expected the canner of spinach to buy it at 48 cents, competing against a market trade offering of \$1.89. The testimony before our committee was that as a result of that legislation instead of 1,000,000 cases of spinach being packed by the Baltimore canning industry last Spring they packed only 200,000 cases. In other words there was a loss of 800,000 cases as a result of which the points on spinach were raised and the Members know how hard it is to get canned spinach. These are some of the illustrations of the way the administration of the O. P. A. has been handled and which makes the request for these subsidies necessary. If we needed a subsidy to stabilize our war economy I would be for it. I would not, as I said a moment ago, do anything to break up our stabilization program; but I am not willing to stand here and provide money to an agency to cover up their mistakes and inefficiencies and the lack of knowledge of those handling the food program of this country. In my opinion that is the way the O. P. A. has administered this program.

There are just one or two basic things I want to talk about for a minute. It has been charged in quite widespread manner that this is a bill of the farm bloc, of the farmers of this country.

Why is this a bill of the farmers of this country? The farmers are taken care of under the subsidy program. Why would it not be much easier for the farmers to get what they want when we can borrow that money from the United States Treasury than by an increase of prices? Mr. Chairman, the farmers of the country are conservative people. They are the people who know how hard it is to make a dollar. They do not believe in spending money just to throw it away; they are not in favor of issuing bonds to get money to pay the consumer's food bill when the consumer can afford to pay it better today than at any other time in his life. That is why the farmers of the country are against food subsidies, because they are a conservative people and do not believe in that kind of political philosophy.

Mr. SADOWSKI. They are for a producer subsidy, however.

Mr. BALDWIN of Maryland. There is a sound basis for producer subsidy in the case of essential commodities. The producer subsidy is an incentive subsidy to get increased production. When the Government directs farmers to produce beyond the reasonable limits they have a legitimate obligation to those producers. That is entirely different from the obligation to pay the food bill of the consumers at a time when the consumers are better able to pay it than they ever have been before in the history of our country.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of Maryland. I yield.

Mr. POAGE. In connection with this producers' subsidy is not the Government now paying a producer subsidy to every laboring man who works in an airplane plant or a shipyard or any of those plants where the Government raised the wages far beyond the regular level in order to get the workers in there? Is not that a producer subsidy?

Mr. BALDWIN of Maryland. Yes; and they are paying a subsidy on housing, too.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maryland.

Mr. BALDWIN of Maryland. We have heard a lot of complaints about dairymen and the cost of the production of milk. If you will read the hearings before our committee a little further, you will find that the fixing of prices on feed by the O. P. A. has had a great deal to do with the request of the dairymen for a milk subsidy or an increased price. Every Member of this House who is familiar with the dairy industry knows that the dairy farmer produces his roughage and produces his basic grain to make up his feed mixture for his cattle; but when O. P. A. comes in and sets a price on dairy feed that prevents a farmer from buying a ton of protein dairy feed, he then is thrown on the mercy of the feed dealer.

The result has been that instead of being able to buy protein feeds to mix with his own home-grown feeds and making a cheap, efficient, highly desirable dairy feed, he has had to go to the feed dealer

and buy a mixed feed at about 50 percent of an increased cost over what the basic ingredients of those three feeds sell for individually. Any feed dealer in the country is protected with a ceiling price by O. P. A. on his protein feed, yet he can mix the three or four together and charge 50 percent more without anything happening to him. They then ask the Congress to appropriate a subsidy to cover up that kind of handling of the dairy feed question.

Mr. Chairman, there are so many phases to the way the O. P. A. has handled this food question that could be gone into that I could take much more time than I have to go into them this afternoon. On the radio the other night, and I think I should say this in fairness, our distinguished colleague from Texas said that this was a political bill reported out of the committee in a conspiracy with the Democrats. I am a Democrat, Mr. Chairman, my people have been Democrats for years gone by and I am still a Democrat. Nobody has approached me with any idea of entering into a conspiracy to report this or any other bill for political reasons. And I may say further that whatever stand I take on legislation in this House will be based on my honest, sincere, and considered judgment on the particular subject. I am in favor of this bill whether all the Democrats are for it or none of them are for it but myself.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BALDWIN of Maryland. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman will remember that while the hearings were conducted, I interrogated Mr. Hutchins of the Commodity Credit Corporation with respect to proteins in the form of cottonseed cake and meal. May I say that within the last 10 days I have direct information, by letter, from ranchers in the Southwest that they are paying open and above board a black market premium running from \$10 to \$17 per ton on cottonseed cake produced in central Texas. I think our friend, the gentleman from Texas [Mr. PATMAN], should bear facts like that in mind because they so closely relate to his district and that great State.

Mr. BALDWIN of Maryland. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, last week a great number of livestock feeders and representatives of livestock feeders' organizations from most every section of the Nation came to Washington by invitation from the Senate Agriculture Committee. The committee held hearings for several days, taking testimony from these men who came directly from their farms to tell the Congress exactly what they thought of the O. P. A. regulations and subsidies to the meat producers. They are anxious to produce to the limit for the war effort, but are now being hindered in their efforts because of the bungling theorists here in Washington.

It was my great privilege to attend one of the sessions and to hear among others a farmer and stock feeder from my own district, a man who knows his business from long years of experience and who is quick to recognize when a monkey wrench has been thrown into the machinery. He is Mr. Wayland Hopley, of Atlantic, Iowa, who in partnership with his brother Harry, operates one of the most successful stock farms in Iowa. Mr. Hopley is president of the Iowa Beef Producers' Association and as such he came here last week and made a most convincing argument against subsidies and bureaucratic control of the beef industry, which he proved by facts and figures has decreased the production of beef.

Here is Mr. Hopley's testimony. It should convince the O. P. A. that they should change their course.

I am Wayland Hopley, of Atlantic, Iowa, a farmer, cattle feeder and breeder, and president of the Iowa Beef Producers Association. My farms are located in southwestern Iowa and I have been engaged in the livestock business all my lifetime. On our combined farm we will feed out annually about 3,000 cattle, as well as lambs and hogs. At the present time, my mind is in such a state of chaos and confusion that I am afraid to go into our normal and annual beef production. As a result, we have in our yards today and in our pastures and stock fields about 650 head of cattle. This is merely the picture of my feed yards as they exist today, which is also typical of the majority of my farmer friends and neighbors who are engaged in the same industry. I have taken occasion to make a survey of the cattle feeders here assembled, for whom I am privileged to speak, and I find this is a true picture as it applies to their respective territories. To more emphatically illustrate the point as to what is happening to the cattle-feeding industry in the State of Iowa, I wish to present the figures obtained from the secretary of agriculture's office in the State of Iowa relative to the shipments of feeder cattle coming into the State of Iowa for the months of August, September, October, and the first few days of November, for the year 1942, as against the year 1943. To date, our shipments of feeder cattle have been 579,137 against 710,247 for 1942, which would show a reduction of feeder cattle for those months of 131,110. The period of 1942 was considerably less than the period of 1941.

I quote from the United States Department of Agriculture, Bureau of Agricultural Economics:

"Shipments of stocker and feeder cattle into the Corn Belt States in October were smaller this year than last and the second smallest for the month in 5 years. The decrease from October last year was largely in the direct movement. Records for 8 Corn Belt States show that while the total in shipments in October this year were 32,000 head below last year, the number coming in from public stockyards was about 10,000 head larger.

"For the 4 months, July through October, the movement of stockers and feeders into the Corn Belt was also the second smallest in 5 years. The total into the 11 Corn Belt States this year, inspected through public stockyards, was 9 percent below last year but larger than in 1941. The total into 8 States, both from markets and direct, of 1,170,000 head was about 107,000 head, or about 8 percent below last year, but was about 60,000 head larger than in 1941.

"Reports from States outside the Corn Belt are that cattle-feeding operations in nearly all of these States will be below last year, and the smallest in the last 5 years at least. Because of the reduced production of sugar-beet feeds, and the smaller number

of sugar factories operating this season, the total number of cattle fed by or at these factories will be substantially smaller than last year.

"In October, as in preceding months, the preference of cattle feeders was for heavier weights of feeders, and prices of these were high relative to yearlings or calves. Slaughter records indicate that a relatively large number of calves, that in recent years would have been taken for stockers or for feeding, went to slaughterers in October."

The remarks I might make to explain to you gentlemen my reactions and feelings to this chaotic condition we find ourselves in could be much more easily said if I were at home in my feed yards and in the surroundings which would be more adaptable to my means of expression. It is high time that Congress recognizes the situation that is confronting the Nation regarding its feed supply and the future production of beef. Unless Congress asserts itself and takes steps to stop the bureaucratic directives that are being issued by various bureaus in Washington to the food producers of this country, we are headed for a real shortage of beef. The cattle feeders find themselves in a state of chaos and confusion and are more confounded each time a directive comes from Washington concerning the meat problem. The markets are now at times completely demoralized, and no feeder or farmer wants to raise or feed cattle, hogs, or lambs when he, by experience over the past year and a half, knows that a group of theorists are more than likely to put into effect a new regulation that will upset his whole feeding operation, to say nothing of the financial loss thereby sustained.

The beef production is going to depend entirely on the way it is handled in Washington. If they will allow prices that justify a profit to the producer, they will get plenty; if not, the farmers will undoubtedly spend part time on their farms and in their feed yards and part time in defense plants and other jobs, where the compensation is greater; as a result, probably small production in all places. Ceilings and subsidies are two terms that are exceedingly obnoxious to cattle feeders and farmers. True, we cattle feeders are opposed to runaway price or inflation, but the arbitrary way the ceilings have been imposed upon us, not having been consulted, has not met with our approval. We feel controls and management are quite necessary, but these controls should be directed at demand and supply—not at price pegging. We are unalterably opposed to any and all subsidies. They propose to give cheap food and prevent inflation, but we farmers feel that if the Government spends money for a subsidy that it must borrow the money, pay interest, and pay men for administering these funds, so the same subsidized foods will, in the long run, cost the consumer more than they would if they paid a fair price when they bought it. It has always been accepted as a fact that Government borrowing was in itself inflationary, so that we feel subsidies are very much an illusion, or bait hung out to the consuming public to supposedly cheapen their living costs, which it does not do.

Our regulators or dictators are very slow to learn anything by the old, tried method of experience. It seems to us producers that the whole beef-cattle program has been very badly handled by the powers in Washington. They say: "Food will win the war and write the peace," and that it is just as essential to the war effort as are arms, tanks, airplanes, or ammunition, but they have one way of getting food and another for the equipment of the Army, Navy and Air Force. The cry goes out to get equipment for the armed forces at any price—not inflationary—but when food production is wanted, it must be cheap or the price low to prevent inflation.

We are proud of the production we are getting from some of our defense plants. We farmers have sons in the United States forces and we want them well-equipped that they may meet their adversaries on at least an equal basis, and are for this all-out war effort, but we also want them well-fed and well-clothed, and that is our part in the war effort. We farmers have only one desire, and that is to produce an abundance of food and fiber, but the sooner we recognize the limiting factors about this food production, the better it will be for all of our economy.

The farmer needs machinery and labor in order to produce the maximum amount of food. Unfortunately, we cannot get all the farm machinery we need. Then, for that reason, we need more labor; but prices received for farm products will not justify a farmer in going into the labor market to expand his farming business. This last year, when feed grain was so badly needed, we did not grow as many acres of corn as we did in 1920 but yielded more corn. We cannot produce or live on regulations out of Washington, and until we get agricultural business on comparable basis with industry and labor, recognize there is no substitute for price when you want production, we will not be able to sustain our fighting forces, civilian population, and our lend-lease effort as we should.

There is a subsidy on beef today, but is the American public buying their beef any cheaper? I checked my local retail market, both before and after the subsidy program was made effective, and found that price quotations had not been changed, let alone revised down. This being a fact, the consuming public is paying the same for its beef as it was prior to the announced subsidy program. Therefore, it must not be accomplishing its supposed purpose of lowering the cost of living.

It is reasonable to assume that with a fair and equitable price, the necessary beef requirements for the armed forces, civilian population and lease-lend could and would be produced and might even be increased if the need were necessary. If this subsidy program is carried out to its fullest extent, it is purely inflationary, and the thing no cattle feeder wants. The feeders of cattle know that there will be a shortage of beef as soon as the present marketing of range cattle is completed, but not a shortage of cattle. This is due to the fact that feeders have not placed and are not placing their usual quota of cattle on feed because these feeders have been kept confused and alarmed by constant threats of additional regulations and restrictions, such as live ceilings, Government buying, allocations and subsidy programs, causing constant price roll-backs.

Any policies which tend to put the cattle feeder in such a frame of mind that he is cutting down our meat production, I believe would be decidedly unwise from the standpoint of our Nation's health. Leaders of our armed forces have been quick to recognize the value of meat in the diets of men on our fighting lines. Army officers tell us that meat is the No. 1 item in Army needs and, according to quotations from officers of the Quartermaster Corps, they say that meat is eaten every day by the American soldier, and all Army meals are planned around a meat dish.

The food problem is not so confused that it could not be solved. Every segment of the livestock industry has cooperated in working out a program known as the meat-management program, which I feel if it were allowed to work, would result in the stabilization of the industry and the production of ample meat to supply the armed forces, civilian population and lease-lend.

I wish to reiterate that I am unalterably opposed to the subsidy, due to the fact that we are better prepared to pay for our groceries as we go along today, with our present high rate of consumer income, than we ever have

been in the history of our country. I feel that it is wrong and unjust to increase our national debt to pay for something which could easily be paid for at the present time, so that our boys who are now on the far-flung battle lines will not have this increased tax burden to pay off when they return. I am opposed to the subsidy, for the fear of what will happen to our industry after the war is over, and we will be compelled to go back to a normal field of production.

Cattle feeders do not want inflationary prices, but we do want a price at the market place which will get production. Abundant production will keep down consumer prices and I feel that we have not as yet come anywhere near our peak production if proper management was instituted. We must get away from the idea of Government support and let our industry stand on its own here at home and in this way back up our boys who are on their own in the battlefields of Europe and the South Pacific.

Mr. Chairman, I ask unanimous consent to extend and revise my remarks, and to include a statement.

The CHAIRMAN. Is the statement the gentleman's own statement?

Mr. JENSEN. No.

The CHAIRMAN. The gentleman will have to secure permission to do that when the House is not in Committee.

(Mr. JENSEN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I want to call the attention of the Members of the House to my remarks appearing in the RECORD today in reference to the attempt on the part of the economic stabilizer to have the oil-petroleum industry accept the subsidies. I want to refer particularly to one part of my remarks of yesterday and restate it here today so that the Members will understand the position of our distinguished friend from Texas in the early part of the year.

Last Tuesday, the Honorable WRIGHT PATMAN, the distinguished Member from Texas, spoke at some length in support of subsidies. In the discussion which attended his remarks, the gentleman from Indiana, Hon. GERALD W. LANDIS, asked this question:

Is the gentleman in favor of subsidies on oil?

To which the gentleman from Texas [Mr. PATMAN] replied:

I am in favor of subsidies on anything that will encourage production without increasing the cost of living. You see, we have to have some kind of standard or guide to go by. I ask the gentleman now, and I ask any person present here, if he can name any way on earth that you can hold down the cost of living and encourage production without the use of a subsidy. I yield to any person who says he has a plan.

He thus gave his approval to subsidies to the oil industry. Yet, in an interim report of the Committee on Small Business, of which the gentleman from Texas [Mr. PATMAN] is chairman, under date of May 10, 1943, the following conclusion was stated:

That subsidies and bonuses are untried in the oil industry and unworkable and undesirable for the general purposes now needed.

I do not know which of the gentleman's views to accept as being his firm conviction.

(Mr. GAVIN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire, to the gentleman from Michigan [Mr. DONDERO].

(Mr. DONDERO asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. DONDERO. Mr. Chairman, I am in favor of the bill presented to the House and shall support it.

I do not believe there is a Member of this body, whether he is for or against subsidies, believes in inflation. I do not want inflation and my support of the bill before us is based upon my opinion that it will aid in preventing inflation. The greatest threat to inflation in this country is the ever-mounting national debt.

Congress discharged its duty to the people in passing the Stabilizing Act under which the Office of Price Administration was created. The purpose of that law was to stabilize prices. If it has not been done, it is because of the failure of the Office of Price Administration to do its duty as directed by Congress. If the taxpayers and the consumers were different persons, there might be some argument to justify consumer or food subsidies. Unfortunately they are one and the same person and as such must foot the bill.

Advocating subsidies of this nature contains the dangerous doctrine that the state should support the people rather than the people support the state. I desire to point out, and especially to the people for whom I speak in this body, that living costs, if consumer subsidies are established, will be more than saved now at the grocery counter. There will be deducted from the laboring man's check and all others \$2 for every dollar saved now to pay back the money that must be borrowed, with interest on the bonds and the increased cost of administration through the building up of the ever expanding bureaucracy in Washington. If the Government must pay the grocery bill of the people now when the wage scales and the national income is the highest in our history, when will they be able to pay? Under a consumer-subsidy program we will be paying to the Government in heavier and more burdensome taxes any increase in the cost of living instead of paying it to the storekeeper now.

Those who advocate food subsidies and request the Government to pay for what is placed on the table are asking succeeding generations, including the men who now fight the Nation's battles, to pay our board bill.

The Nation's farmers have been called upon to produce more food. They are as patriotic as any other segment of our people. They are willing to do it but they are opposed to accepting Government bribery to do so. What reason can any Member of this House advance for not paying those who till the soil and produce the food we eat a reasonable price for their produce in the open mar-

ket place? No one has answered that question. Behind this philosophy of consumer subsidies is vicious political control and regimentation of the farmer and he knows it. Food subsidies mean discouraging food production. They are a demagogue's paradise providing him with the instrument to promise higher prices to the producer and lower cost to the consumer.

In the 12,000 word message sent to this House by the President advocating food and consumer subsidies, there was one very glaring omission, namely the President failed to point out to the people that whatever the Government paid now on their living costs would be collected with interest and expenses in heavier taxes demanded by the Government later.

If food subsidies are adopted what does it mean to the average individual? If he uses 5 quarts of milk weekly and the Government pays 1 cent a quart subsidy, the average person would save \$2.60 for the year. Under the present rationing system each individual is entitled to 12 pounds of butter a year. With the Government paying 5 cents a pound, the total saving is 60 cents annually; and if the individual can buy 2 pounds of meat weekly there would be a saving of 6 cents a pound or an annual saving of \$3.12. The total saving per person per year on these three essential items is \$6.32.

The Government will be compelled to borrow to pay the subsidies on these three items the sum of \$800,000,000. No one will seriously contend that our enormous debt, which may reach \$300,000,000,000 before the end of this war, can or will be paid within 50 years. The interest alone on the \$800,000,000 spread over a period of 50 years at the rate paid on War Savings bonds will amount to \$1,160,000,000 or two and a half times the original subsidy paid. This means that for \$6.32 now saved to the consumer he will pay \$19 in taxes.

Mr. WOLCOTT. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. LANDIS].

Mr. LANDIS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana [Mr. LANDIS].

There was no objection.

[Mr. LANDIS addressed the Committee. His remarks appear in the Appendix of today's RECORD.]

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KEEFE].

(Mr. KEEFE asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. KEEFE. Mr. Chairman, in the midst of this discussion involving subsidies, according to an announcement which has just come to hand, the National Lawyers' Guild is tendering a testimonial dinner and reception at the Mayflower Hotel to the Honorable James Lawrence Fly, Chairman of the Federal Communications Commission and Chair-

man of the Board of War Communications, on November 19, 1943.

The announcement describes Mr. Fly as having been "an ardent champion of the greatest freedom of all groups to secure time on the air and of the widest possible extension of radio service to all listeners." The notice of this jamboree is signed "District of Columbia Chapter, National Lawyers' Guild," and it recites that Mr. Fly "has done an outstanding job of preserving the integrity of the administrative process"—and I emphasize the phrase "administrative process"—"by his courageous stand against the Dies and Kerr committees and by his steadfast opposition to the Cox committee; and he has been a tireless worker in attempting to gear the all-important communications industry to the war effort." A full copy of this announcement reads:

NATIONAL LAWYERS' GUILD,
DISTRICT OF COLUMBIA CHAPTER,
Washington, D. C.

DEAR FRIEND: On Friday evening, November 19, the National Lawyers Guild is tendering a testimonial dinner and reception at the Mayflower Hotel to the Honorable James Lawrence Fly. As Chairman of the Federal Communications Commission and the Board of War Communications, Mr. Fly has been an ardent champion of the greatest freedom of all groups to secure time on the air and of the widest possible extension of radio service to all listeners; he has done an outstanding job of preserving the integrity of the administrative process by his courageous stand against the Dies and Kerr committees and by his steadfast opposition to the Cox committee; and he has been a tireless worker in attempting to gear the all-important communications industry to the war effort. Mr. Fly will deliver an address on the importance of freedom of communications, both in the domestic and international field.

A distinguished group of Government officials and members of the bar are joining in the tribute to Chairman Fly. Vice President Wallace; Leon Henderson; and Elmer Davis, Director of the Office of War Information, have kindly consented to address the gathering. Robert Kenny, attorney general of California and national president of the guild, will act as toastmaster. We believe that this dinner is one of the outstanding events that this chapter has sponsored.

All members of the bar and friends of Mr. Fly are cordially invited to attend this dinner. The subscription is \$4.50 per plate. The number of tickets available is strictly limited, and we therefore urge you to make your reservations promptly at the guild office. Checks should be made payable to District of Columbia Chapter, National Lawyers' Guild. Reservations may be made for groups at tables accommodating 10 persons.

DISTRICT OF COLUMBIA CHAPTER,
NATIONAL LAWYERS' GUILD.

It is obvious therefore that this feast of honor is being tendered the Chairman of the Federal Communications Commission for the contempt he has shown Congress, congressional committees and individual members of the National Legislature. It is unique in the history of America for a so-called organization of lawyers to thus honor one so contemptuous of the Nation's law-making body, but it is thoroughly in keeping with the communistic performances of the National Lawyers Guild.

Mr. Fly is to deliver an address on the importance of freedom of communica-

tions both in the domestic and international field.

Mr. Chairman, with those proclaimed reasons for rejoicing and for praising Mr. Fly as Chairman of the Communications Commission and as Chairman of the Board of War Communications, a good time should be had by all. But there are still other hopes held out for a joyous occasion. "A distinguished group of Government officials and members of the bar are joining in the tribute to Chairman Fly." The Federal Government is to be represented on that festive occasion by none other than Vice President Wallace, Leon Henderson, erstwhile but hapless head of the O. P. A., and Elmer Davis, Director of the Office of War Information, who "have kindly consented to address the gathering." All members of the bar and Mr. Fly's friends "are cordially invited to attend this dinner" at a cost of only \$4.50 per plate.

Mr. Chairman, we readily recall another occasion when an assembled multitude was reminded that it had foregathered for a purpose other than to praise a noted character of history; but times, circumstances, organizations, and "isms" have undergone many changes. It now seems to be the style to combine praise of the living with propaganda for a continuance, even a redoubling, of their accomplishments along the lines advocated by the intelligentsia. The coming praise of Mr. Fly seems remote from a praise limited merely to past accomplishments—it portends other things that doubtless will be expected of him; and the testimonial dinner is probably meant as a spur to greater accomplishments along the lines of things sponsored and advocated by the guild.

For the benefit of the uninitiated, if there are any such at this late date, the National Lawyers' Guild is one of the most outspoken and rankest of communistic-front organizations of this or any other day. Its tenets, objects, and aims have been and are such that Mr. Justice Robert H. Jackson, former Attorney General; Mr. A. A. Berle, Assistant Secretary of State; New York Supreme Court Justice Ferdinand Pecora; Judge Nathan Margold, of our District of Columbia Municipal Court, and formerly solicitor for the Department of the Interior; New York City comptroller, Joseph D. McGoldrick; and others resigned, with reasons therefor which may be stated, as they were by Mr. Berle, as follows:

"It is obvious that the present management of the guild is not prepared to take any stand which conflicts with the Communist Party line. Under these circumstances, and in company with most progressive lawyers, I have no further interest in it."

Come what may, Mr. Fly still thinks so well of the guild that he is willing to break bread with its members and at a dinner given under its auspices, and that at a time when our people are tightening their belts, foregoing as the President has strongly intimated, adequate diets as a safeguard against greater shortages of good food, and to the end that we may do more than a man's part in feeding, financing, and policing the world as a part of the new world order which is just

now taking shape and emerging from the dream state.

Since it has become the fashion among high administrative officials in Washington to classify as Fascists those who dare criticize their divergent views, perhaps I should say no more. But, Mr. Chairman, I cannot refrain from observing that it seems strange that the expensive dinner to honor Mr. Fly should be held in these days of strenuous rationing, and when many organizations and associations are, at the behest of the Government itself, canceling their meetings, conventions, and banquets in the interest of the war effort. This observation holds, too, in the face of the fact that, in Ottawa, Canada, the people are not worried about a butter shortage or the shortage of any other kind of food—a place where the best filet mignon steak, with all desired trimmings, decreases the content of the pocketbook not more than \$1.10.

Seriously, whatever the true object of the impending testimonial, and whatever the subjects that will be discussed, let us hope that Mr. Fly will enunciate a fixed and determined plan to safeguard the freedom of the radio; and that any and all other proposals will be left to the countries which have dictators and admit the fact. If Mr. Fly does this, however, he will have to forsake a principle which he has helped to establish, namely, that radio stations may properly be required to sign and file stipulations with the Commission indicative of program content, as conditions precedent to favorable action by the Commission on matters before it.

One other matter, Mr. Chairman, and I shall have finished. A document accompanying the announcement of the Fly testimonial dinner bears the notation "Standard Form No. 64, office memorandum, United States Government," and is signed Harry M. Plotkin—spelled P-l-o-t-k-i-n. That paper indicates that officials and employees of the Federal Communications Commission are probably being solicited to purchase dinner tickets at \$4.50 a throw, since Mr. Plotkin happens to be a member of the Commission's legal staff.

In these days of heavy demands upon Government employees for taxes, the purchase of War bonds, subscriptions to the Red Cross—so that persons of high estate may perform world travel—and subscriptions to the Community War Fund, which is an enlargement of the old community chest, and which spends its money, in part, through an ideological organization which busies itself with the rescue and bringing of alien refugees to this country, it seems our Government workers have enough legitimate uses for their surplus change, without being asked to buy dinner tickets at \$4.50 each for the purpose of honoring any Government official.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. HORAN].

(Mr. HORAN asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. HORAN. Mr. Chairman, I feel that we should point out here that we are not, with this bill, writing or establishing a food program. We are merely resisting, with this bill, the establishing of a false foundation upon which to construct a sound food program.

I personally want to compliment the Banking and Currency Committee for the way they have handled this matter. It is a credit to the gentleman from Alabama [Mr. STEAGALL], the committee's able chairman, to the gentleman from Michigan [Mr. WOLCOTT], the gentleman from Georgia [Mr. BROWN], and to the entire committee.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SADOWSKI].

(Mr. SADOWSKI asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. SADOWSKI. Mr. Chairman, I am opposed to the provisions of this bill. The average citizen is most confused and bewildered by all of this discussion on subsidies, producer subsidies, consumer subsidies, price parities, and so forth. But when you ask him, "Do you want price stabilization, and are you opposed to inflation?" his answer is a most emphatic "Yes." Price stabilization or inflation is the question that is before us here today. There is no doubt about it but that the purpose behind this bill is to increase prices and to open the doors wide to uncontrolled inflation. Those supporting the bill say that it will not create inflation, and yet when I asked the question a few minutes ago of "whether you are willing to assume the responsibility for inflation in the event of the passage of this bill," you answered: "The Roosevelt administration must be responsible for the administration of the bill." It is like tying a man's hands behind his back and shoving him into a boxing bout and saying, "I'm not to blame if you do not lick that fellow."

For my part, I want to make this point clear: I intend to go up and down my district and tell my people that the Republican membership of this House, together with a few Republican-minded Democrats, are responsible for the passage of this bill and the results that will follow.

So far we have done fairly well in holding the line. So far we have not permitted the speculators, food profiteers, gougers, and black marketeers to run wild as they did in the last war—when butter was a dollar a pound, meat a dollar a pound, a small chicken \$5, sugar, coffee, bread, shoes, and clothing, in fact, everything was prohibitive and priced beyond the reach of everyone, and as a result everyone suffered except the speculators and profiteers.

"To h—— with the war. We want our profits, too!" This seems to be the theme of the antisubsidy group. I have listened attentively to one after another of the supporters of this bill, and I have heard them say, "Subsidies are socialism," "We want economic freedom," "We want the American way of life," "We want the law of supply and demand,"

and it makes one stop, think, and shudder. Is our home front going to degenerate into one mad, greedy scramble for money?

When the Japs attacked us we did not think of "economic freedom," "law of supply and demand," "subsidies and socialism." No! We knew we were at war. We went to General Motors, Chrysler, and Ford, and to the other industries, and told them to stop making automobiles, refrigerators, and civilian goods and start making tanks, airplanes, guns, and ammunition. Did they say, "We won't do it! We want economic freedom"? Oh, no! We immediately called millions of boys into the armed services and gave them 10 days' time to leave their civilian occupations. Did they say, "We won't do it! We want our economic freedom! We want the American way of life"?

Let me ask you: What greater service could be rendered to Hitler and Tojo than to open the doors to inflation and cause economic chaos on the home front? Let us first win the war. We still have a long way to go. Let us not do anything which would prolong the war. Wars always cause unnatural economic conditions which call for regulations that are repugnant in peacetime. But we are still very much in the war and our boys over there expect us to hold the line over here.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. CAPOZZOLI].

(Mr. CAPOZZOLI asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. CAPOZZOLI. Mr. Chairman, I have listened with great care to the various arguments advanced in support of this bill which, amongst other things, seeks to do away with subsidies. I have tried to see the justice of the attack made on subsidies. Frankly, I have been unable to do so.

My district is part of the great Lower East Side of Manhattan. It is a consumer district. It is populated by workers, many of whom have had no benefit whatever from the so-called defense work. In fact, in this latter respect, particularly, my district is typical of the other districts in the City of New York,

Little has been gained by the New York City residents from the so-called defense program of our country in comparison to other parts of the country. In fact, it has been estimated by competent authorities that over 400,000 persons are unemployed in my city. We all do know that shipbuilders on the west coast came to my city, gathered unemployed workers, and shipped them west to their shipyards. These workers had to go across the country, leave their families, and, in many cases, live under very unfavorable conditions, in order to earn a livelihood for themselves and their families.

Surely, Mr. Chairman, no one can be so naive as to believe that these family dislocations would have taken place if the defense program had made full use of the City of New York labor market and its industrial capacity. If this

labor market was able to furnish the west coast with thousands of workers in shipyards, then why was there not a shipyard, doing shipbuilding, located in New York City, aside from those doing Navy and repair work? This question may not be germane to the issues now before us, but its consideration does shed some light on the necessity of keeping the cost of living from spiraling upwards, especially in the City of New York and other localities which have not benefited by the defense program.

Aside from the unemployed, New York City has thousands and thousands of the so-called white-collar workers and unorganized employees. Many of them reside in my congressional district. They have been subjected to all the disadvantages of a country at war and have not profited in any way from increased earnings. In fact, they have been unable to take advantage of the Little Steel formula. They have had to depend on the voluntary action of their employers for increases in wages. Yet they have had to continue to meet the rise in living costs as everyone else has had to do. Teachers, clerical workers, State, county, and municipal employees, policemen, firemen, librarians, and so forth, have had no benefit of increases in wages, with some exceptions. It is estimated that throughout the country there are 15,000,000 heads of families who have been unable to get a pay rise. They have been, and are now, at a disadvantage. Is the adoption of this bill, with the elimination of subsidies, going to help them? Obviously not. It is going to make their condition ever so more difficult.

It has been authoritatively stated that 4,000,000 wage earners still earn less than 40 cents an hour, with millions of others earning just a little above that. Also that 4,000,000 families have not had an increase of more than 5 percent since the beginning of the war. And what about those who have retired and are unable to work, depending for their support on fixed pensions, such as veterans, railroad and civil-service workers, the purchasing power of whom has gradually gone down? What shall we say to all these persons? Are we helping them by passing this bill in its present form?

The Little Steel formula was originally meant to fill the gap between wages and the cost of living from January 1941 to September 1942, and limited wage increases to 15 percent above prevailing level on January 1, 1941. Even as we debate this bill, the formula is being attacked and not without some justification. It is claimed that it has failed in its avowed purpose of halting living costs. Imagine with what more justification can demands for increased wages be made if food subsidies are banned.

Just what will be the immediate effects of this bill if it is enacted into law? For an answer to this question, let me refer you to what Mr. Chester Bowles has had to say about it. After all, as head of the Office of Price Administration, it is his duty to keep up to date on matters of this kind and, speaking for myself, I am perfectly satisfied that he is doing the best possible under the circumstances. He is entitled to the confi-

dence and support of the American people in his efforts to handle a very perplexing problem.

He says that, without subsidies, the cost of a 5-pound rib roast would increase by 23 cents; 3 pounds of veal cutlet would cost 18 cents more; a 15-pound ham would go up 67 cents; butter by 10 cents a pound; milk by about 1 cent a quart, and cheese 8 cents a pound. Increases will take place in the foods so that the total food index will be increased by over 7 percent.

These increases would immediately result in a demand for higher wages, on a country-wide scale, and, for the life of me, I cannot see how such a demand can be denied, in the light of these increases. The result will be a break-down in the whole price-control structure and we shall be well on our way to inflation.

I yield to no one in my respect and admiration for the American farmer and his patriotism. However, it seems to me that the proper picture has not been made clear to the farmer. I am sure that he knows the meaning of adversity and he has known it from personal experience. We all remember the unfortunate condition which was his before President Roosevelt entered on his first term. The people of the country, by this Congress, and under the leadership of the administration, directed the payment of subsidies to the farmers during that period in order to save many of them from what looked like economic destruction. Congress saw the justice of subsidies then.

It is contended by those who claim to speak for the farmer that he does not want hand-outs or subsidies. Well, no other self-respecting American ordinarily would want them either. It is further said that the payment of food subsidies is not according to the American way of life. Is the mother who stays awake nights, worrying about the safety of her boy at the front, today living according to the American way of life? Is her boy fighting his way through the mud and jungle of a South Pacific island, at the present time enjoying the American way of life? No. Both of them are making sacrifices much greater than what the farmer would have to endure by temporarily accepting the aid of subsidies.

It is important, of course, for the production of food, that the farmer receive an adequate price. In a normal economy an adequate price ordinarily is fixed by the law of supply and demand. But, today, we are not living in a normal economy. If resort is had to the operation of the law of supply and demand then we are going to have trouble, because the demand for food today, considering the needs of the civilian population, military and lend-lease requirements, far exceeds the supply. The results will be disastrous for the consumer here at home. Hence, some Government assistance must be had. That was the reason for the enactment by the Congress of the Price Control Act. But, how can that act be enforced if you take away from the Government a very important weapon needed for its enforcement?

Subsidies are regarded by farmer representatives as something which is so

completely alien to our way of life. Yet, it is not so. Often has this country used public money in aid of private enterprise in order to bring about the most good to its citizens. Subsidies have been used to protect manufacturers in the way of discriminatory tariffs; they have been used to assist in the building of railroads; to encourage shipbuilding at home and to maintain an American merchant marine in operation and in other ways. No one would question the excellent purposes served by these mentioned subsidies.

Another objection frequently heard to the use of food subsidies is that they result in taxes for the public. Let us consider the soundness of this objection. We all know that the Government is now engaged in expending record sums of money because of the war effort. Is there anyone who would question the building of new battleships, tanks, airplanes, and guns because they result in taxes? Of course not. We accept these expenditures as necessary incidents in the prosecution of a war for survival. What about food? Is it less important a weapon than any of those already mentioned?

We have been told that the increase in our farm output since Pearl Harbor has been the largest of any similar period in history. Yet, with this record achievement, we have still been short in our food supply. We know that these shortages cannot have been due to the lack of production, but they were due to the demands brought about by the war. Hence, it is a necessary war expenditure. So that if the Government is compelled to pay subsidies to keep the cost of living down for the average person, why should there be any objection to payment of taxes to meet these payments. Today we do not have a normal cost of living, it is abnormal, made so by the demands of the war. Therefore, we should accept the burden of payments of these taxes in the same spirit in which we pay taxes for increased production of other implements of war.

Mr. Chairman, the residents of the East Side of New York, in company with their fellow-Americans, have given conclusive evidence of their support of the war effort. Literally thousands of their sons are with the armed forces all over the world. Unfortunately, many of them have already made the supreme sacrifice. These people are Americans to the core. They, too, believe in the American way of life. Yet, they recognize an emergency and, knowing that it is best for the country, they are not too proud to accept the aid of subsidies. While they do so, they pray and hope for an early victory, so that we may again enjoy our American democracy, with its free enterprise and normal economy. Let us not add to the already heavy burdens of the American people by taking away from the Government a formidable weapon with which to combat inflation. Do not do away with subsidies.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I propose in this brief 10 minutes to pre-

sent to you a horseback opinion of a Member of Congress, who came from the tailgate of a chuck wagon in a cow camp in Texas. The opinions of such men have been variously colored by the press, by columnists, and by calumnists for quite a period.

I shall not indulge in any repetitions, I hope, but when one adds up the sum and total of statistics which have come by what might be termed short- and long-wave recordings and remote control, I merely want to say that I am not yet ready to sell my birthright as an individual citizen, as a Representative of the Fourteenth Congressional District of Texas, which I have the honor of representing, for any \$6.32 of subsidy, which is the sum total of the complete receipts that would come to the so-called consumers of America if the bill presented by the committee is defeated. I am not that cheap and I do not believe you are.

Mr. Chairman, this is not a discussion of subsidies, this is not a discussion of ceilings. The question to be decided here before this august body, in the presence of God Almighty, who had more to do with giving us this country than any and all of the men in this great Nation from George Washington down, is different from what they may have contributed. He who marks the sparrow's fall and who gave us reason, who differentiated us from the beasts of the field and the birds of the air and the fish of the sea, was responsible for this great Nation's being able to accept the incomparable responsibilities of this absolutely unequalled hour. It is not a question of subsidies. It is a question far greater than that upon which the States were divided and the freedom of one particular group or race, and by Constitution we have no conceptions of those kinds of divisions. The law applies equally and uniformly to all citizens, if we have what I deem to be an American concept of our Government.

This proposition, as stated by my distinguished friend of over 40 years, the gentleman from Texas, HATTON SUMNERS, in an address made here several years ago, is best expressed as a final laying down of the gauntlet and glove in a challenge as to whether the people of this Nation are competent and capable of self-government or whether we are going to answer the challenge in this Congress by adopting the plan set out here, An Economic Program for American Democracy, written by a group of distinguished gentlemen, the most interesting of whom out of seven Harvard and Tufts economists is Richard V. Gilbert of the Office of Price Administration. Are they going to substitute this book not only for the Constitution but for every single thing that our sons and daughters, the flower of American manhood and womanhood, are fighting to preserve on the battle fronts of this—and I mean this—Old World?

You are either going to finance this program following both the arithmetic and the logic which is born in the statistical branch of the O. P. A., which has long ere this evidenced both its disrespect and its unwillingness to adhere to either constitutional or substantive law

limitations on its operations, and who are willing not only to substitute government by directives for government by law and reason but who are backed by a group who have less conception of what that flag means to me than Richard V. Gilbert and his group know of the cattle industry, of the cotton industry, and all of the industries which produce the food and clothing upon which this Nation depends in its dire hour and upon which our allies and our friends depend.

As far as I am concerned, the bridle is off this afternoon. I have no limitations except my love for our common God and our country in what I say this afternoon—not one. Would that I were of the age to be on the battle front to meet this situation face to face. I repeat, \$6.32, which is the total value that the consumers of this Nation will reap as individuals out of this proposition, is too cheap a price for me to sell out for.

I have three letters here. They are most interesting. A long time ago a cowhand came to the King Ranch for employment. He was barefooted. He had three children and he had never had an opportunity to go to school. He still lives. He still has not been to school. One of his sons served his country. The others all passed on. He spelled "coffee" without using one single letter that fitted into the word as properly spelled. When he ordered 10 pounds of coffee from the storekeeper at the King Ranch he spelled it "k-a-u-g-h-p-h-y."

This is a representative democracy. On my word of honor as a Representative in the Congress of the United States and as an American citizen, I hold in my hand here the only three letters which I have received in support of this infamous proposition to set aside a government of people who know what the flag stands for and substitute therefor government by a group that is represented in print by those whose school of thought belongs to that of Richard V. Gilbert and the seven other economists.

Hesitate, if you will, as Representatives of the American people, to follow my distinguished and able friend from Texas, my colleague, and were he my brother I would still say, though I have only one, "He can go to hell; I still propose to stay in America."

I have three letters here. They come from the same address, 3739 Neptune Avenue, Brooklyn, N. Y.; that is, for two of them. And the name of one is illegible. It is like Wesley Stephens, and the way he spells coffee, "Potemkin." I do not know what you fellows make of it. The other name is from the same address. I am going to insert them in the RECORD. I hope that somebody can decipher the signature; I cannot. It is from the same address. I am going to read you one of them; they are very much the same:

We want subsidies. We must have subsidies to keep prices down.

In other words, to save \$6.32.

We must keep prices down to stop inflation.

I wish I had more time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield 5 additional minutes.

Mr. KLEBERG. I appreciate that, sir. I cannot possibly fail to comment that the other letter, the third one, is a copy of a letter addressed to my distinguished friend who made a tolerant and highly American speech, the majority leader, on my side, a Democrat, the gentleman from Massachusetts, the Honorable JOHN McCORMACK. I hold in my heart no higher place in esteem or friendship than I have for the troubled position of that distinguished American from Massachusetts. But this letter, while it contained the backbone of his speech on yesterday, and you read it, the headline says, "Congress of Industrial Organizations," and it is signed by Philip Murray. And, with permission, I ask to include these three letters in the RECORD.

Now for these three letters. Here they are, including one I just read:

BROOKLYN, N. Y.

Mr. KLEBERG: We want subsidies. We must have subsidies to keep prices down. We must keep prices down to stop inflation.

Mrs. S. POTEMKIN.

BROOKLYN, N. Y., November 11, 1943.

Representative RICHARD KLEBERG,
House of Representatives,

Washington, D. C.

DEAR SIR: As housewife and citizen of the United States, I earnestly request that you exert your influence in establishing food subsidies.

I believe that this measure is of utmost importance in order to combat the present rise in the cost of food.

Very truly yours,

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., November 17, 1943.

MY DEAR CONGRESSMAN: Enclosed is a copy of a letter which I have sent today to Majority Leader McCORMACK on the question of the subsidy issue which comes before the House in connection with the Commodity Credit Corporation bill.

Sincerely yours,

PHILIP MURRAY.

[Enclosure.]

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., November 15, 1943.

Hon. JOHN W. McCORMACK,
Majority Leader, House of
Representatives, Washington, D. C.

MY DEAR Mr. McCORMACK: The subsidy problem which comes before the House for debate and decision during the course of the next few days constitutes one of the most serious challenges to the efforts of the President to maintain a stable home economy in this critical war period. The consuming public of the Nation looks to you as the responsible leader of the forces of your party in Congress to assure the fullest and most effective support for the President on that issue.

There has been an unfortunate effort from many sources to confuse the crystal-clear issue involved in this subsidy debate. Eight Members of the House Committee on Banking and Currency have pointed out in their report that if we abolish subsidies now the price of more than 24 basic and primary food items will immediately increase from 4 to 20 percent. They have informed the Members of the House that unless subsidies are continued, round steak will be raised 5.2 cents, butter 5 to 9 cents a pound, canned vegetables 1.4 cents, sugar 1 cent. Price Administrator Bowles has added the information that a termination of subsidy payments will mean an increase of 1 cent a quart in the price of milk and 3 cents a pound in the price of cheese.

It has been the very failure of Congress to give full and effective support to control prices up to the present time that has driven labor to seek true stabilization through revision of present wage strictures. Certainly any step which will permit still further price rise redoubles the threat to our Nation's efforts to achieve and maintain a stabilized home front economy.

These threats of runaway prices are threats to the working health and efficiency of American war workers, they are threats to the stability of our entire home economy. The issue in this subsidy fight is whether we shall keep prices within the reach of the men and women and children of America or permit food to be taken off the tables of the American public for the personal profit of special interests. I respectfully urge that no more critical issue has faced you in recent times and that no issue calls more pressingly for the most effective possible action in support of the President's war program.

Sincerely yours,

PHILIP MURRAY.

In the entire time on this question these are the only three communications, as a Representative in the American Congress, that I have received from the people that I represent and, yes, the people that you represent, in support of this infamous proposition that we substitute a government of blackmail for a government for, of, and by the people. Gentlemen, it will not do. Now, as I take this floor this afternoon I want to call to your attention a few things, and I have all the material here. God knows I wish I had the time to talk to you about it. Here are the facts: I am a Democrat. I resent the implication that any American, even though he be a Republican—mark that—should be responsible for this demand to substitute for a government of law and reason a government by blackmail.

An interesting application would be your study of the recent directive as affecting our industry, the one which I represent, as an individual producer of beef cattle, not beef, and follow through the recent directive issued, not only without sanction over the objection of the entire industry, and the conclusions drawn, I repeat, by some columnists, mostly calumnists, that would suggest that those whom I represent are willing to accept a program of laissez faire and accept the opportunity to charge what the traffic would bear, an abominable accusation of profiteering against Americans who happen to constitute that particular group which at Lexington fired the first shot that was heard around this world. There is no consumer from your district, my good friend, Mr. O'BRIEN, or from my district, or any other Member's district, who, in reason and with American inspiration, remembering what that flag stands for and what these two pictures mean, who supports the infamous proposition of a substitution of a government which must be financed out of the Treasury of the United States, mind you, without authorization, or who supports this infamous document in substitution for the Constitution of the United States.

Mr. Chairman, the book which I hold in my hand is the one I just exhibited to the committee. Its title is "An Economic Program for American Democracy." Its flyleaf after the title recites as follows:

By seven Harvard and Tufts economists: Richard V. Gilbert; George H. Hildebrand, Jr.; Arthur W. Stuart; Maxine Yapple Sweezy; Paul M. Sweezy; Lorie Tarshis; and John D. Wilson.

The Vanguard Press, New York. Copyright, 1938, by the Vanguard Press, Inc.

Mr. Chairman, the copyright provision even will be heeded by me, and I will not quote from this amazing opus—which by this mention may receive at least some sales impetus.

This at least should be pay enough for the authors if, as I hope they may need it when they go out in this old world to try to make an honest non-subsidized living.

Yes; even if the theme of this book is that private business is totally incompetent to manage itself and that the entire fate of the American people and the very existence of the American people lies in the hands of the Federal Government.

It will, too, if the Congress follows the tactics of Federal bureaus like the O. P. A. and others who ignore the Constitution, laws passed by Congress, and the intention of Congress many times expressed.

Who said anything about pressure groups?

Like my beloved and able friend, the gentleman from Alabama, HENRY STEAGALL, chairman of the committee which reported the bill before us and which I shall support, I have been home, yes; and I visited all over my district, and found then as now that my people, like myself, are not ready to sell out.

If any compromise is made on the proposal such as we know will occur—likewise we do not want even a little bit of it—I shall vote against it.

There can be no compromise with either the subsidy proposal or with the group who propose it or presently administer it.

If this Congress does weaken in the interim and fail to override a possible Presidential veto, just know that lots of folks like me in every congressional district will know that right here we have junked all we hold in trust for them.

Just go back and read the facts leading up to the directive on live cattle, and the laws affecting this transaction, and you have a clear-cut case of the virtue and moral integrity of those who will put the subsidy program into effect.

The record is even worse than the proposed subsidy plan or the compromise proposals yet to come, and God knows this is small comfort; they are bad enough.

This is not a plan to finance a ceiling program; it will finance a stealing program. Upon examination—like a rose called any other name—the smell lingers one and the same.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Did the gentleman from Texas request permission to insert something in the RECORD?

Mr. KLEBERG. I ask unanimous consent, Mr. Chairman, to insert three letters in the RECORD.

The CHAIRMAN. That permission will have to be obtained in the House.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Chairman, I am sure that every Member of this House is grateful and deeply appreciates the fine American speech and plea just made by our distinguished colleague the gentleman from Texas [Mr. KLEBERG] to save our way of life and the American concept of government. And like my distinguished friend, it is my considered judgment that what we may properly term the highly controversial issues involved in this legislation; namely, the payment of consumers' subsidies—which have been so vigorously championed by the gentleman from Texas [Mr. PATMAN] and by my good friend and colleague the gentleman from Oklahoma [Mr. MONRONEY]—involves one of the most vital and fundamental issues ever to be considered by any Congress during the more than 150 years existence of our Republic. I am not an alarmist, but I say to you, Mr. Chairman, that this new departure and venture on the part of the administration which is sponsored by our friends who brought in the minority report on this bill, and which I believe, if adopted, will mean a full and complete all-out subsidy program, and which will likely cover every commodity produced on the farm, every article which reaches the hands of a processor, and which will mean the complete full and final regimentation of all of the people in this country, and which will involve a complete change of our economic system, as was suggested by my good friend the gentleman from Michigan [Mr. WOLCOTT] this issue is as fundamental, so far as the rights of a free people are concerned and our ability to carry on as a representative democracy, as were the issues which stirred the country into a division in 1850 to 1860 and which finally brought on civil war.

If by commencing with a piece-meal policy of paying a part of the grocery bills of consumers, whether needed or not, through the weapon of taxation—because that is what it means in the long run—who is there to say that after a while we cannot or would not go all the way and just pay all consumer bills?

It involves the same philosophy of those who were telling the people a few years ago that it really did not matter how large the national debt becomes, because, after all, we just owe it to ourselves. Last year I suggested to the collector of internal revenue that I just write my check for income taxes payable to myself, but he did not seem to understand it that way.

It has been argued by the gentleman from Texas [Mr. PATMAN] at least 10 times in the last 30 days, that the subsidy paid the producers of copper was analogous and comparable with what he wants to do with this bill. Such comparisons, of course, are ridiculous. It is an argument by analogy—and the analogy is false. We have only a few, a mere handful, of copper producers producing one commodity—copper—which is a highly strategic war material. In order to get copper it was all right, of course, to have the Government step in as a part of the war program and implement the cost of mining this copper.

Let us examine the gentleman's logic a little further. He argues that in the case of copper every dollar paid by the Government to subsidize and increase production has saved the Government \$28.

Now, how can the Government give a subsidy of a dollar to a copper producer and thereby save \$28? The gentleman is not very clear or very explicit when he makes such a claim, and his explanation of what he means is quite difficult to understand. Presumably what he is trying to say and what he means is this: That we are at present giving subsidies of so much a pound to high-cost copper producers, the amount being the difference between the market price and their cost of production.

Suppose that instead of doing this we had let the market price rise sufficiently to cover this high-cost production? How much larger would our total bill for copper have been? Admittedly, it would have been larger.

The gentleman from Texas says that it would have been larger by an amount equal to 28 times the subsidies we have paid.

What is wrong with such reasoning? Overlooking the fact that most of the difference would have been recovered through the excess-profits tax, we will assume, for the sake of argument, there is nothing much wrong with it, as it applies to copper or to any other highly strategic war material to which we can limit subsidies to high-cost producers. That is the reason, perhaps, that no one has objected particularly to subsidies in these isolated cases; but the fallacy of the gentleman's argument is that in the case of farm production subsidies cannot be so limited.

As I have heretofore suggested, we have only a handful of copper producers. We have more than 6,500,000 farmers. We can allow for the difference in the cost of production between copper producers; we cannot allow for such a difference among farmers. If one farmer gets a subsidy, so must everyone producing the same thing; and since this is true, there can be no multiple saving, such as the gentleman claims.

Incentive payments or consumers' subsidies, roll-backs, or whatever you want to call them, will not increase production. Why do I say that? Because we tried it on butter and the production of butter decreased, and hundreds of dairy farmers sold their dairy herds and quit business. We tried it on cheese, and the cheese supply went down instead of up. The O. P. A. has tried it on beef. Immediately that the roll-back was put into effect, the price of cattle in the producers' hands sharply declined and thousands of producers sold their cattle and quit the business of raising cattle, which, of course, will mean reduced production in beef. The same thing is happening with the hog producers.

You cannot fool the farmers and the ranchers. They know they do not get the benefits of these roll-backs, that they will go to the packers or processors or someone else—and as a result they take the rap and then get out of business, or

greatly curtail production because of prices. What the farmers and producers want is not roll-backs or incentive payments—they want a fair, decent price in the market place. That is the only way we will get production, and if we will simply give them a decent price, you need have no fear of inflation, the ample production will take care of that.

Of course, if you do it that way, you will not need the hordes of political regimentators who would go along with the all-out subsidy plan; and there will not be 130,000,000 checks going out to 130,000,000 consumers, or to thousands of merchants between now and election time next year so that political henchmen will be able to constantly remind those who are receiving the checks what a benevolent and generous "Uncle" they have in Washington. Or, as they used to be so bold as to say down in my congressional district a few years ago, "Here's a check from the President. I am sure you will remember who gave you this check when you are about to cast your vote."

Mr. Chairman, the general objections to consumers' subsidies have been so thoroughly discussed in and out of the Congress the past few months that no good purpose could be accomplished by a detailed review of all of them. Some of the witnesses before the Banking and Currency Committee summarized these objections somewhat in this fashion:

"Subsidies throw the burden which we are able to bear onto future generations. We cannot find words strong enough to express our disapproval of a policy of transferring this cost to the children of the young men who are fighting our battles for us today in every corner of the world.

"Subsidies increase our national debt—a very potent cause of inflation. Subsidies introduce the dangerous doctrine that the State should support its people rather than the people support the State. Subsidies lead to political control, which is extremely hard to break. Of recent years we have seen candidates for office campaign on the promise of continued subsidies which were provided to meet emergencies now long past.

"Subsidies are a demagogue's paradise. They enable him to promise higher prices for the producer and lower costs to the consumer. This cannot be kept up long.

"Probably the worst danger in subsidies lies in the fact that they lead directly to chaos. If we are to use subsidies to meet the steadily increasing cost of production, we will soon have our price structure badly out of balance, and the longer the war continues the more out of balance it will become. When the war is over and we must return to the necessity of balancing the Budget, it takes no stretch of the imagination to realize that we must cut off all unnecessary expenses, and subsidies will be one of the first items to get the ax. Then what happens? Either farmers must increase their prices to get the cost of production or they will have to quit. If we are unwilling to pay the cost of our

food bill during these days of the greatest income in all history, when food is costing us a smaller percent of the income than ever before, what chance would farmers have of raising their prices when the boys come back looking for jobs, and the problem of unemployment stares us in the face? The answer is, None at all. Agriculture would be thrown into a deflation far worse than that which followed the last war, because that war was not complicated by subsidies."

Mr. Chairman, another regrettable thing that has been going on continuously in and out of Congress the last few months, and by many in high places, is the unwarranted and unfounded charge that the farmers are responsible for the increased living costs and that it is the farmer who has and is about to set off the spark that is threatening to consume the country in a conflagration of inflation. I regard these false statements and this tirade that has been used to inflame the American public against the American farmer as the most ridiculous and insidious propaganda that has ever been practiced against the American public, and particularly the American housewife, who largely does the family buying.

Mr. Albert S. Goss, master of the National Grange, which is one of the great farm organizations, very clearly and concisely gave a complete answer to these ridiculous charges and this propaganda when he appeared before the House Committee on Banking and Currency. I quote from his remarks:

Farmers are just as much afraid of inflation as anyone. In fact our organization issued the first warning against the dangerous path we were pursuing before either labor or industry had apparently given it a thought. Before we can determine the cure, let us get at the cause. In offering the roll-back subsidy proposals we are attacking the problem at the wrong point. We are treating the results rather than the cause. There is no reason whatever why the blame for price rises and inflation dangers should all be charged to agriculture. Of the three groups, labor, industry, and agriculture, farmers are the least to blame. If the blame were confined to abuse we would not be appearing before you. We would go right ahead and work our 80 hours a week, as shown by the last farm-labor report, and devote our whole effort to food production. We have not only been subjected to the most terrific abuse and attacks, but we are being made the victims of roll-backs and in some cases are being forced out of production. The time has come when we feel that action is necessary to put a stop to this movement, which will lead to disaster if pursued much further.

We have prepared a table which reveals very clearly where the trouble lies. Before looking at the figures we would like to point out that there has been a lot of confusion over the labor situation. We have had more work to do, more men have been employed, and the total income has gone up sharply. That is natural. In a peace economy this increased employment would result in more consumer goods. Except as this increased labor income may be a contributing cause of inflation by increasing the spending power, the figures on total labor income are meaningless in studying the economic problem.

There are two figures which really help us to see what is going on. The first is the earnings per employed worker. When this is com-

pared with the cost of living it is the gage by which we can measure whether or not wages are adequate to meet such cost. The second, and most important figure from the standpoint of society as a whole, is how much labor is there in the finished product? This determines the cost of the finished product

and is the foundation of our whole price structure. When costs go down prices should go down. When costs go up prices have got to rise or production is stopped. Now, if you will refer to the table, you will see what has been going on.

The table referred to is as follows:

Economic trends—Corporate earnings based on average quarter, 1939; others based 1935–39

Year and month	Cost of living	Retail food prices	Labor cost per unit of industrial production	Factory pay rolls per employed worker	Increase in corporate earnings after taxes	Increase in corporate earnings before taxes
					Percent	Percent
1940						
January.....	100	95	97.5	110.2		
February.....	100	97	98.3	106.5	-5.7	10.8
March.....	100	96	98.2	105.4		
April.....	100	96	97.3	105.8		
May.....	100	97	95.0	106.0	2.6	21.7
June.....	100	98	93.4	108.0		
July.....	100	97	96.0	109.3		
August.....	100	96	99.0	111.5	14.9	34.9
September.....	100	97	101.6	115.6		
October.....	100	96	101.5	116.3		
November.....	100	96	102.2	117.2	62.4	88.3
December.....	101	97	103.6	120.2		
1941						
January.....	101	98	105.0	121.1		
February.....	101	98	104.2	120.4	29.4	98.6
March.....	101	98	102.7	119.7		
April.....	102	101	106.9	121.8		
May.....	103	102	110.4	128.5	67.4	156.5
June.....	105	106	113.9	133.5		
July.....	105	107	118.1	136.5		
August.....	106	108	119.4	135.9	97.3	200.5
September.....	108	111	121.1	138.5		
October.....	109	112	121.3	139.6		
November.....	110	113	125.6	142.0	117.8	230.4
December.....	110	113	124.6	144.9		
1942						
January.....	112	116	125.1	149.4		
February.....	113	117	129.1	151.2	60.1	221.1
March.....	114	119	133.1	154.4		
April.....	115	120	136.4	157.1		
May.....	116	122	139.7	160.1	74.1	249.3
June.....	116	123	142.0	162.2		
July.....	117	125	144.9	165.0		
August.....	118	126	148.1	171.4	89.2	272.2
September.....	118	127	149.2	174.2		
October.....	119	130	150.7	177.9		
November.....	120	131	152.8	181.9	98.3	288.3
December.....	120	133	155.3	182.7		
1943						
January.....	121	133	155.9	181.5		
February.....	121	134	156.4	184.6	84.2	309.9
March.....	123	137	160.9	188.4		
April.....	124	141	162.1	191.7		
May.....	125	143	164.5	194.5	96.2	332.4
June.....	125	142	167.3	195.1		
July.....	124	139	165.5	194.1		
August.....	123	137				

You will note that except in the column on corporate earnings the base period taken was the 5-year period 1935–39, the 5 years just before the beginning of the World War. During that period, agriculture was not far from an all-time low with an average per capita net income of \$172, including Government payments, as compared with non-farm per capita income of \$623. So you can see agriculture had a long way to go before it reached a comparable starting point. Now, let us see what the table reveals. Following the outbreak of the war, industry took a spurt. Wages went up somewhat, but because of the increased volume the cost per unit of output went down. These figures are shown in the fourth and fifth columns. Food prices were below the previous 5-year average, which I pointed out was near an all-time low, and the cost of living remained level until December of 1940, when it went up 1 percent.

Let us look at those 1940 figures a moment and notice what happened. Everything stayed fairly level till midyear with costs of finished products going down because of increased volume. Then both wages and earnings started to rise sharply. It was not the cost of living that sent them up. That remained stationary, with food prices very low. Had labor and industry been content with reasonable levels, and reduced the price

of the industrial product as increased volume reduced costs, the result would have been a decreased cost of living, and we would have developed a healthy low-price level, a condition which contributes toward abundance. By the end of the year, labor had increased its per capita income 20 percent, industry had increased its net income 62 percent, the cost of consumers' goods had risen 10 percent in 6 months to an index of 103.6, and the cost of living had started up, but food prices were still very low. Labor and industry had led out in a sharp upward swing.

Of course, this affected all costs, including farm costs, and unless the upward swing of labor and industry could be halted, farm prices had to rise or farmers would be closed out. The trend continued. By midspring retail food prices had gone up to the 5-year pre-war average and the cost of living had gone up 2 percent. The increase in the cost per unit of production had gone up about 7 percent, and wages approximately 22 percent. By midyear the cost of food had gone up to 6 percent, the cost of living to 5 percent, the labor income per individual had gone up to 33.5 percent—the labor cost of the finished product had gone up 13.9 percent, and corporate earnings had gone up 67.4 percent. About this time we began to start efforts at price control.

The Leon Henderson philosophy entered the picture. He made the position of the administration very clear in a letter to the chairman of the House Appropriations Committee in which he argued that nothing should be done to control wages, and that profits arising from increased volume should go largely to the wage earner, instead of reducing the price to the consumer. The committee will recall how vigorously he fought any control of wages for possibly a year or more, until finally they had gone up 74.2 percent by last September as compared to an increase in living costs of 18 percent, a ratio of more than 4 to 1. Industrial earnings had gone to 89.2 percent, or nearly five times as high as living costs.

Incidentally, the heads of our two great labor unions are the chief proponents of a demand that food costs be rolled back 10 points to the level of last September, while industrial labor income per individual has increased 20 points during this same period and the cost per unit of manufactured production has increased 15 points. Farm costs have gone up far more than the 10 points they are demanding, although I do not have exact figures upon farm cost increase.

But let us return to the table about mid-year 1941. From that point on you will note that food prices have increased faster than the cost of living, although at no time have they ever increased anywhere near as fast as the income of individual wage workers or corporate earnings. The increase has been less than half as fast. The reason for the increase is fairly plain. The farmer was being hit from two directions. His cost of living was being forced up the same as that of everybody else, and he had had to contend with the sharpest increase in wages of any domestic industry. In fact, except for ocean transportation where bonuses are paid for entering the war zones, farm wages exceed all others in rate of increase by a wide margin. The following table shows the 10 industries having the highest rate of wage increase since 1941:

	Percent
Water transportation.....	96.7
Farm labor.....	81.1
Quarrying and nonmetallic mining.....	61.5
Anthracite mining.....	72.0
All manufacturing.....	59.5
All durable manufacturing.....	59.2
Bituminous mining.....	59.2
Shipbuilding.....	58.7
Textile mill products.....	53.0
Iron and steel.....	51.5

But note that farm wages have gone up 81.1 percent, the highest of all. Thus it will be seen that farm costs have been under terrific upward pressure, and this must be reflected in food prices if we are to have food. Let us return to the first table. Three things stand out very clearly.

1. The cost of living did not advance a single point until labor and industry had led out and attained a dizzy pace.

2. Food prices stayed down for some months until the increased cost of living and increased wages forced them up.

3. We have been on a rising spiral ever since labor and industry set the pace, but throughout this whole period labor costs, labor income, and corporate earnings have gone up from two to four times as fast as the increase in living costs.

Labor and industry started the upward swing months ahead of agriculture and before there was an increase in the cost of living, and they have continued to lead the field by a very wide margin to this day. Labor is still going up three or four times as fast as the cost of living, and is threatening strikes if it cannot get increases or a rollback on food prices.

The suprising thing about it all is that while we are having substantial inflation of wages and corporate earnings, food, which is

being so severely attacked, is the least to blame. We are still the best fed Nation on earth and we are spending the lowest percent of our income for food. In fact, we are spending a lower percent of our income for food than ever before.

Mr. Chairman, with these daily blasts going out from Members of Congress and others in high places, charging the farmer and his friends in Congress with being responsible for food shortages, excessive prices, and a hundred other things; is it any wonder that the farmers generally, throughout the country, are bewildered?

While farmers generally recognize that to win the war, food is as necessary as guns, and while they are determined to produce foods to the limit of their physical and financial ability, they are now so bewildered that they cannot intelligently plan for the future; and this, in my humble judgment, is because of the fact that there have been so many conflicting and shifting policies established and so many conflicting statements made by the Washington officials.

To obtain maximum production of food in 1944 it is necessary for farmers to know that, except as affected by drouths, floods, pests, and other uncontrollable forces, the prices they receive will be sufficient at least to cover production costs.

Mr. Chairman, I suggested at the outset that in my humble judgment this so-called consumer subsidy program strikes at the very vitals and fundamentals necessary to the preservation of our form of Government. There can be no compromise. This Congress must act, and act now; firmly and decisively, on this fundamental issue. We will either stand steadfast for the free enterprise system, or we will surrender to a system of planned economy and one based on national socialism. There can be no half-way compromise; and I am not willing to surrender to this totalitarian scheme at the rate of \$900,000,000 a year, as has been suggested by my colleague from Oklahoma [Mr. MONRONEY].

Few people realize how far we have traveled in this country during the last decade—we have been following a rough and rocky path, step by step, which one after another of the European nations have trod; and in my opinion such a course can only lead to the same destination that it has led them over there, and that is to bankruptcy and ruin.

We have allowed our Government to expand its activities into every branch of free enterprise, and to expand its domination over every activity of the private citizen. We have allowed the administration that promised to reduce by 25 percent the cost of Government in peacetimes, to double and triple our cost of Government and our taxes. We have furnished the money for an overexpanding bureaucracy until there are hundreds of thousands of bureaucrats and gestapos at our elbows day and night, telling us what we can and cannot do, until we are no longer able to conduct business on a competitive basis as was intended under our system.

If we continue to adopt such totalitarian philosophy, we will not only de-

stroy our own Government, but we will also destroy our ability to help the peoples in the other countries to establish for themselves a government that will contribute to their progress. If we cannot help the Europeans by an example of honest constitutional government, we certainly cannot help them by adopting their own failing, totalitarian philosophy.

Mr. Chairman, I am sure that every Member of this House was very favorably impressed with the great speech that has just been made by one of Texas' most distinguished sons. He has been talking about the principles of American government. He has been talking about retaining the principles of American government during the war and after the war is over. It is my considered judgment, and I have been impressed ever since this fight on consumer subsidies started last summer, that what we may properly term the most highly controversial issue in this bill, namely, the payment of consumer subsidies, that has been championed by the gentleman from Texas [Mr. PATMAN] and my good friend the gentleman from Oklahoma [Mr. MONRONEY], involves the most vital, fundamental issues ever to be considered by any Congress during the 150 years of the existence of this Republic.

What the gentleman from Massachusetts said yesterday is absolutely true to my way of thinking, that the issues involved here are just as fundamental and just as vital as were the issues that caused the division in 1850 and 1860, and finally led to the Civil War. If by commencing with a piecemeal policy of paying part of the grocery bills of consumers, whether needed or not, through the weapon of taxation—because that is what it means in the long run—who is there to say that after a while we cannot and will not go all the way and just pay all consumers' bills? It involves the same philosophy, in my humble judgment, as those who were telling the people a few years ago that it did not make any difference how large the national debt becomes, because, after all, they said, we just owe it to ourselves. I tried to get the collector of internal revenue last year to let me make my check for my income tax payable to myself, but he did not seem to understand it that way.

Let us look at some of the arguments that have been made by the proponents of this measure. My good friend, the gentleman from Oklahoma [Mr. MONRONEY], said, "I think it is a pretty dangerous thing to fool with, after all."

He said, "I realize it is something we do not know much about, this delving into the problem of consumer subsidies. I would not want to go the whole way at all," but he said, "I want to play with it a little bit. So I am just going to propose that we give them \$900,000,000 a year."

As the gentleman from Texas [Mr. KLEBERG] just said, I am not willing to sell out for \$6.92 to the average consumer, to play with that dangerous thing. I do not believe the people in my State of Oklahoma where my good friend, Mr. MONRONEY, comes from want to become involved in speculation in the very thing that the gentleman from

Texas [Mr. KLEBERG] talked about, that is, substituting a system of planned economy, which will surely lead to national socialism—and sometimes I think we are almost there—for a system of free, competitive enterprise. I know the folks in Oklahoma do not believe in that.

Somebody said today, some of these fellows who are talking about subsidies, that we had better watch our political p's and q's over here because when this inflation thing hits it is going to be bad in the next election. I think it was the gentleman from California [Mr. Ford] who said that. Well, if it takes a sell-out to this crowd that the gentleman from Texas [Mr. KLEBERG] told you about, and that is the only crowd I know of that is hollering for consumer subsidies, to save my political scalp, I do not want to save it, because I do not want to be a part of a government that has to be controlled by that kind of thing.

I want to look at some of the examples cited by the gentleman from Texas [Mr. PATMAN]. He has been arguing it at least 10 times, that a subsidy paid the producer of copper was analogous and comparable to what he wants to do in this bill.

Such a comparison is absolutely ridiculous. It is an argument by analogy and the analogy is false. We have a few, not more than a handful of producers of copper who were producing a highly strategic war material at high production costs. In order to get the copper I think it was all right to have the Government step in as a part of the war program and pay part of the cost of mining this copper; but let us look at the gentleman's logic a little further. He argues that in the case of copper every dollar paid by the Government to subsidize an increased production saved the Government \$28. How the Government can pay a subsidy of \$1 to a copper producer and thereby save \$28 is not very clear. The gentleman is not very clear or very explicit when he makes such a claim, and his explanation of what he means is quite difficult to understand. Presumably what he is trying to say and what he means, is this: That we are at present giving subsidies of so much a pound to high-cost copper producers, the amount being the difference between the market price and their cost of production.

Suppose that instead of doing this we had let the market price rise sufficiently to cover this high cost of production? How much larger would our total bill for copper have been? Admittedly, it would have been larger.

The gentleman from Texas says that it would have been larger by an amount equal to 28 times the subsidies we have paid.

What is wrong with such reasoning? Overlooking the fact that most of the difference would have been recovered through the excess-profits tax, we will assume, for the sake of argument, there is nothing much wrong with it, as it applies to copper or to any other highly strategic war material to which we can limit subsidies to high-cost producers. That is the reason, perhaps, that no one has objected particularly to subsidies in these isolated cases; but the fallacy of

the gentleman's argument is that in the case of farm production, subsidies cannot be so limited.

There are only a few copper producers, but there are 6,500,000 farmers who are going to produce the same kind of things. We can allow for the difference in cost of production between a few copper producers, but if one farmer gets a subsidy we have got to pay it to 6,500,000 farmers producing the same thing. Then there can be no multiple saving as the gentleman tries to make in his argument in the case of copper.

Incentive payments, consumer subsidies, roll-backs, or whatever you want to call them, do not increase production, all of us agree. The question involved here is the question of inflation. I think it can be agreed on all sides, that if we can have ample production, if there are enough consumer goods, if there is plenty for everybody to buy then we cannot have inflation. Now let us look at the thing, let us see what the program has done in the past along that line. Why do I say that these so-called roll-backs, this sort of consumer subsidy they are talking about will not increase war production? Because we tried it on butter. What was the result? Butter decreased in quantity, hundreds of dairy farmers sold their dairy herds and quit the dairy business. We tried it on cheese and the cheese supply went down instead of up. O. P. A. has tried it on beef. Immediately the roll-back was put into effect this summer the price of cattle to the producer went down sharply. What was the result? The producers of these cattle in many places sold their foundation herds and have quit the business. The same thing is happening to hogs. You cannot fool the farmers and the ranchers. They know who will get the benefits of these roll-backs; they know the benefits will go to the packers, the processors, or someone else. As a result they take the rap and then get out of business or greatly curtail production.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 additional minutes to the gentleman from Oklahoma.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 additional minutes.

Mr. RIZLEY. What the farmers and the producers of this country want and what it will take to get ample production so that we will have ample production is simply a decent price in the market place for what they have to sell; and you do not need to have any fear of inflation if that happens because there will be plenty for everyone. Of course, if you do it that way it will not satisfy my friend from Texas who has been talking about some largely augmented type of program. It would not satisfy him. Why? Because you will not need hordes of political regimenters who will go along with the all-out subsidy program such as they want and there will not be 130,000,000 checks going out to 130,000,000 consumers or tens of thousands of checks sent out to merchants at election time next year if you give them

this \$900,000,000. That is the reason they do not want it; and you will not have all these political henchmen going around constantly reminding people who are getting these checks what a generous uncle they have in Washington or, as they used to be so bold down in my district a few years ago to say: "Here is a check from the President. I am sure you will remember who gave you this check when you get ready to cast your vote."

Mr. Chairman, the general objections to consumer subsidies have been so thoroughly discussed in and out of the Congress in the past few months that no good purpose could be accomplished by a detailed review of all of them. I have not time to go into the whole field this afternoon, but I shall insert in the RECORD tables showing the thing that I think started this spiral of inflation and the thing that is going to keep it going. If you will examine these tables you will find in them a complete answer to my way of thinking to what the gentlemen over there contend.

Let me say this, and I wish I had time as the gentleman from Montana said to discuss more of these things, these daily blasts that are going out from some Members of Congress and others in high place blaming the farmer and his friends in Congress for being responsible for food shortages, excessive prices, and a hundred other things. Is it any wonder that the farmers generally throughout the country are bewildered?

While farmers generally recognize that to win the war food is as necessary as guns, and while they are determined to produce foods to the limit of their physical and financial ability, they are now so bewildered that they cannot intelligently plan for the future; and this, in my humble judgment, is because of the fact that there have been so many conflicting and shifting policies established and so many conflicting statements made by the Washington officials.

To obtain maximum production of food in 1944 it is necessary for farmers to know that, except as affected by droughts, floods, pests, and other uncontrollable forces, the prices they receive will be sufficient at least to cover production costs.

These blasts from Washington officials are unfair. What has happened? Time after time when the War Food Administrator, who the farmer had the right to believe was doing something about this program, would lay a program down that had been worked out between him and the producers, what would happen? It would go to O. P. A. to the same gentleman who wrote that book referred to by the gentleman from Texas [Mr. KLEBERG] and he would completely ignore it. Do not let anyone tell you for a moment that Dr. Gilbert has not been running the O. P. A. He chooses to ignore the recommendations of Marvin Jones and the producers and tries to inaugurate a program that will put into effect this scheme, this new philosophy, he has worked out. You do not need any \$900,000,000 slush fund to take care of this thing you gentleman are talking about.

Mr. Chairman, I suggested at the outset that in my humble judgment this so-called consumer subsidy program strikes at the very vitals and fundamentals necessary to the preservation of our form of government. There can be no compromise. This Congress must act and act now firmly and decisively on this fundamental issue. We will either stand steadfast for the free enterprise system, or we will surrender to a system of planned economy and one based on national socialism. There can be no half-way compromise and I am not willing to surrender to this totalitarian scheme at the rate of \$900,000,000 a year.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RIZLEY was granted permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. SLAUGHTER].

Mr. SLAUGHTER. Mr. Chairman, during my limited service in the House, I have never seen nor heard a bill discussed as fully, as well, or as intelligently as the one that has been under discussion for the past 2 days. Though I cannot agree with the conclusions reached by the distinguished gentleman from Texas [Mr. PATMAN] in my opinion he has done a good job in marshaling as best he can the facts and circumstances that might be built up for subsidies. Likewise, and by the same token, I have never heard a better prepared address nor a more scholarly one than was delivered this morning by the gentleman from Oklahoma [Mr. MONRONEY]. Not only in the case of these gentlemen but so far as the other advocates of the subsidy program are concerned, I ascribe good motives to their proposition and to the position they have taken; furthermore, I concede the proposition that they may be correct in their position, but in conceding that there may be valid reasons that could be given in support of their position for they may be right, and we who oppose the subsidies may be wrong—we come in the last analysis to the proposition that all we can do in this body is to sit in the position of a jury, listen to the evidence in the committee and to the arguments in this Chamber, then make up our mind as to where we are.

Personally I think there is a lot of underbrush that can and should be swept aside on both sides of this argument. There are arguments that have been advanced by both sides which are totally fallacious. For instance, I heard some of the opponents of the subsidy program, with whom I line up in this fight, make the statement that the subsidy program robs the farmer of his independence. I cannot see that there is very much weight in that argument because it is a matter of common knowledge that in years gone by the farmers were quick to take the A. A. A. payments, the corn-hog money and any other benefits that a subsidy provided. Consequently, the argument is totally erroneous. On the other hand, it seems to me that the argument of the Treasury is very far afield when the administration speaks on the

one hand about dangerous money, four-fifths of which they say is in the hands of persons earning less than four or five thousand dollars a year, and should be siphoned off, while at the same time it advocates subsidies to decrease the cost of living of this same group. I say the administration may be correct on either proposition, but not on both, for these two positions are as far apart as the poles and are as inconsistent as any two positions can be.

In the last analysis the true reason and the true argument that can and should be advanced against subsidies and which, in my humble judgment, will stand up against any attack, involves two propositions: First, any subsidy that could conceivably be borne by the Federal Treasury would be futile. It has been estimated a subsidy of \$455,000,000, a half-billion dollars, would reduce the cost of living of a family of four just 30 cents a week, which is a negligible amount, of course. Even if the amount were broadened to the extent of a billion dollars, it would mean about 60 cents a week for a family of four. But over and above that, there is a principle that goes far deeper and which, in my judgment, is far more dangerous.

It has been argued here by the proponents of subsidies that this country has always had subsidies. Perhaps that is true. They have pointed out that the railroads were subsidized; they pointed out that various other groups have received the benefits of subsidies, but they overlook one important proposition. Let us take the railroads, for instance; the railroads which were receiving the subsidy were receiving it from the great majority of people who were paying it and were not on the receiving end; consequently there was of necessity always a watchdog or a potential watchdog in reserve to stop that subsidy and to check it. The day we start to give subsidies to every man, woman, and child in this country, we set up the greatest lobby that has ever been conceived, a lobby whose strength and power exceed all imagination and which will in time swallow up and bankrupt this entire Government. It takes a lot less courage today, I submit, to turn down this proposal when times are good and everyone employed than it will when six or seven million people are unemployed. If we take this step now, we are just scratching the surface and opening the doors, and when this war is over and when the inevitable reaction sets in, we will be faced with a situation that, in my judgment, will swallow up the national solvency of this country.

Mr. BROWN of Georgia. Mr. Chairman, I yield 7 minutes to the gentleman from New Mexico [Mr. ANDERSON].

Mr. ANDERSON of New Mexico. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include certain tables prepared by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico [Mr. ANDERSON]?

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Chairman, the vote on this matter for a

person who operates a farm and who, therefore, may be regarded as having a selfish interest is not a particularly easy one. I only wish to say in explanation of my position that I am one of those Members of the House who originally voted for the so-called Gore bill to control all prices. I believed then and I believe now that it was the best bill that has been before this House. I was one of 68 who went down in slaughter when that bill came to the floor of the House.

I voted against the first price-control bill because I thought it was not a good bill. It involved no firm control of either labor or farm prices, as I saw it, and I felt it would not work. I voted subsequently to sustain the President's veto of a commodity credit bill because I felt we had a right to experiment with the problem of subsidies and see whether or not they would work while there was a serious effort being made by the War Labor Board to hold the line. It has only been when I have seen that effort to hold the line completely fail, when I have observed that wages were continuing to go on up beyond the figures of the War Labor Board, that I concluded it was my responsibility as a Member of the House to vote for this bill which the Banking and Currency Committee has brought out.

I have a number of telegrams and a number of messages. I shall not try to read them all. I have a telegram here from the president of the New Mexico Cattle Growers Association, E. G. Hayward, pleading with me to go along with the western groups of livestock men. It reads in part:

Sincerely hope you will go along with New Mexico livestock and farming interests in opposing farm subsidies. It is a noteworthy fact that at the Senate Agricultural Committee hearing all farm and livestock groups of the entire United States are of one opinion in their opposition to farm subsidies. The uncertainties and lack of confidence in the minds of the feeder buyers caused by O. P. A. regulations of live price ceilings, roll-backs, and the subsidy program have caused stagnation in the cattle sales in New Mexico. We are faced with 3- to 5-cent drop in price of feeder calves and no sales or no demand even at these reduced prices.

E. G. HAYWARD,
President,

New Mexico Cattle Growers Association.

I found during the time I was at home this summer that the farmers seemed to have some things bothering them, and during that time I went to several farm-bureau meetings to meet with the farmers, and to find out what those problems were. Every time the farmers asked me to vote against subsidies, and every time I stood up and argued with them that I had voted for subsidies to hold prices down and control inflation, and that as the matter was then being conducted, I was going to continue to vote for subsidies. But I based that on one thing, a proviso that the line be strictly held and there be no increases in wages or other prices. I do not have to tell this group that it did not take me all summer to find out that this line had not been strictly held.

I received on the 6th day of August a quotation on alfalfa seed of 23 cents a

pound. I received on the 26th of August a quotation of 40 cents a pound. I saw the price of cottonseed cake go completely out of sight, and I knew in the terms of my own dairy, that my farm was in difficulty.

I have here a bulletin on the dairy situation published by the United States Department of Agriculture for November 1943. This is not an antiquated nor a completely obsolete document. It is one that just now, within the last 24 or 48 hours, has come in the mails. The very first paragraph of it reads:

Total milk production on farms in September was 2.5 percent below production a year earlier. Larger amounts of evaporated milk and dried whole milk were produced. Nearly all the remaining dairy products showed more than seasonal decline and were produced in smaller amounts than a year ago.

I could read you a great deal more from that document to evidence that the situation in the dairy business was not too good.

I went back to my farm from these farmer meetings and tried to find out in

terms of my own experience what was wrong. I hope that my operation is large enough so I have a chance to get a cross section. I was at that time milking between 150 and 200 cows, 173 at the period when I made the closest check, and I think that is sufficiently large that it gave a chance to get a typical experience. My dairy was about an average one. It produced an average of 8,614 pounds of milk per cow last year, whereas the national average was 4,576. It produced 312 pounds of butterfat per cow. Therefore, I felt that I had a right to regard it as a normal operation. What has happened on my place? I have prepared a table which I intend to insert at this point in the RECORD. It is based upon a new formula for my dairy, a 16-percent protein-grain mixture, which I am feeding the cows. Formerly we used some corn, but not now. It shows, based on sales slips from stores selling feed, not imaginary figures, that the cost per ton of my feed mixture has changed from October 1941 from \$39.47 to \$48.29 in 1942, and \$66.60 in 1943. Here is the table:

TABLE A.—Feed and labor costs by years, using 16 percent protein grain mixture

	Pounds	October 1941		October 1942		October 1943	
		Price	Cost	Price	Cost	Price	Cost
		<i>Per cwt.</i>		<i>Per cwt.</i>		<i>Per cwt.</i>	
Ground barley.....	750	\$1.95	\$14.62	\$2.30	\$17.25	\$3.50	\$26.25
Ground oats.....	750	1.90	14.25	2.60	19.50	3.50	26.25
Wheat bran.....	200	1.85	3.70	2.25	4.50	2.41	4.82
Cottonseed meal.....	280	2.40	6.72	2.45	6.86	3.25	9.10
Salt.....	20	.90	.18	.90	.18	.90	.18
Total (ton cost).....	2,000		39.47		48.29		66.60
Costs per hundredweight.....			1.97		2.41		3.33
Grain cost per cow per day (6 pounds).....			.118		.144		.199
Hay costs per ton.....			8.00		18.00		30.00
Hay cost per cow per day (24 pounds).....			.096		.216		.36

Labor costs per day per cow

	Cents
October 1941.....	7
October 1942.....	9
October 1943.....	12½

Let me say to you that these figures are kept by a trained accountant who is in charge of that farm but who went to that farm from an accounting office. Accurate books are necessary to produce reliable figures of this nature.

Therefore, the cost of grain per day per cow has gone from 11 cents to 20 cents in that period. The cost of hay per day per cow has gone from 9.6 cents to 36 cents.

You may say, "Where do you get the basic figures?" To you people who do not keep cows and dairies, may I explain that we feed a cow 2 pounds of alfalfa per day for each 100 pounds of weight, and a 1,200-pound cow would take 24 pounds of alfalfa daily on that basis.

To get sufficient protein we have to feed that cow 6 pounds of grain per day. These figures, then, are based upon accurate studies and based also upon the best known methods of feeding in a dairy.

My labor costs have been easy to compute. In 1941 I paid milkers 7 cents per day per cow. In 1942 I paid 9 cents per day per cow. Sensing a labor shortage, I put in milking machines in the early part of that year. This year my costs have gone to 12½ cents per day per cow.

I give you those figures because I think it may interest you to see what the problem has been.

What does the daily production cost become? I find that my daily production cost—and here again I will insert the table in the RECORD at this point—for producing eighty-five one-hundredths of a pound of butterfat was 30 cents in 1941 for feed and grain, 47 cents in October of 1942, and 71 cents in 1943—from 30 cents to 71 cents. This is the table:

Daily production costs

	October		
	1941	1942	1943
	<i>Cents</i>		
Alfalfa hay, 24 pounds.....	9.6	21.6	36.0
16 percent grain, 6 pounds.....	11.8	14.4	19.9
Labor.....	7.0	9.0	12.5
Miscellaneous.....	1.7	2.0	3.0
Cost of producing 0.85½ pound of butterfat.....	30.1	47.0	71.4
October price per pound of butterfat, 1941, 62 cents; 1942, 80 cents; 1943, 92 cents.			
Price received for 0.85½ pound of butterfat.....	53.01	68.4	78.66
Margin per day per cow.....	22.91	21.4	17.26
Feed and labor cost of producing 1 pound butterfat in October 1943.....			84.0
Price received.....			92.0

¹ Out of margin farmer must pay insurance, taxes, interest on investment, water, gas, lights, fence upkeep, milking machine upkeep, delivery expense, keeping of the bulls and calves, etc.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 3 additional minutes to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. Here, then, is our problem: The 7.26-cent margin per cow per day plus 85.5 percent of an 11-cent subsidy—this being the amount of subsidy per pound of butterfat when the subsidy is 40 cents per hundred pounds of fluid milk—still leaves us behind our gross profit for the years 1941 and 1942. A ½-cent increase per quart, or approximately 8 cents per pound of butterfat, would mean an increase in the daily income per cow of 85.5 percent of 8 cents, or 6.84 cents. This figure added to the 7.26-cent margin plus the 9.4-cent subsidy would produce a total margin of 23.50 cents per day, which is approximately the 1941 margin of 22.91 cents. Since this margin must take care of the keep of bulls, calves, the upkeep of machinery, the expense of delivery, the cost of gas, light, and water, an even greater increase on margin would be indicated, and certainly nothing less would bring any degree of parity.

It could be argued that the figures I have given are not typical, or it might be contended that, even though they are based on actual sales slips for milk and on feed bills for which checks have been written, they are not completely accurate.

Fortunately, I have an extremely good check on my calculations. A former Member of this House, the Honorable Albert G. Simms, and Mrs. Simms, the former Ruth Hanna McCormick, also a former Member of this House, are the owners of another Albuquerque dairy. They conduct a businesslike, progressive, well-managed establishment, a model in every way. I wish I could insert all the figures which Mr. Simms has supplied me, but the interesting fact is that they confirm almost to a penny the figures which my own dairy has developed.

The Simms Dairy uses a ration which gives the average milk cow 10 pounds of mixed grain, 25 pounds of alfalfa, and 40 pounds of corn silage each day. The cost of that feed mixture in August 1942, according to the books of the dairy, was 40 cents and in August of 1943 was 87 cents. My corresponding figures were 36 cents in 1942 and 56 cents in 1943, but I use a mixture which does not produce as great a volume of milk, and my feed costs are therefore slightly lower.

On the other hand, labor costs at the Simms Dairy are slightly higher than my costs due to the fact that there are more machine operations and that ensilage is fed to the cattle. The labor cost per cow per day for August 1942 at the Simms Dairy was 12.3 cents and in August 1943 was 19.3 cents. Adding these amounts, the feed and labor costs per cow per day was 52.3 cents in 1942 and \$1.063 in 1943.

From these we can calculate the feed and labor cost of a pound of butterfat. The cows at the Simms Dairy produce 35 pounds of milk per day, and in August this milk would contain an average of 3.6 percent butterfat. Therefore, the

cost of 100 pounds of fluid milk in 1942 was \$1.50 and in 1943 was \$3.04. The cost of producing a pound of butterfat in August 1942 was 42 cents and in August 1943 was 84 cents.

To me the interesting part of these figures is the fact that my feed and labor costs for producing 1 pound of butterfat in October 1943 and Mr. Simms' cost records for producing a pound of butterfat in August of 1943 were exactly the same figure, 84 cents.

I did not stop there. I checked with George W. Barte, L. G. Zartman, J. S. Bowers, G. W. Thatcher, and other milk producers at Albuquerque to get the figures. Every dairy operator uses a little different feed mixture, makes available a little more or a little less ensilage, uses a little more or a little less hired labor, and the figures are not completely uniform, but they follow very closely the pattern of the two dairies I have just listed. Their figures show that the total feed and labor costs for 100 pounds of milk were \$2.19 in 1941, \$2.67 in 1942, and \$3.77 in 1943. When you realize that 100 pounds of fluid milk would produce about 4 pounds of butterfat at 92 cents a pound, or \$3.68 in 1943 as against a cost of \$3.77 for labor and feed alone, you realize what the farmer was up against because to that deficit must be added his costs for power, light, insurance, transportation, the keeping of bulls, and a whole host of other items.

When I saw those figures I began to understand the opposition of farmers to subsidies. The subsidy is used to cure what O. P. A. should have cured by an increase in the price of milk. The difficulties are never the same in every town. The subsidy cannot be evenly spread, and the farmer is always getting just a little bit less than his average costs because of the temptation to keep the subsidy low.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I believe this is the sort of information the Members of the House are glad to receive. I believe that this is the sort of information that really does us good. I compliment the gentleman from New Mexico on his splendid address.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask the gentleman, who is a very practical producer, is he more likely to maintain and produce an increased production of milk and milk products under a marketing mechanism which does not force him to use subsidies, or is he more likely to expand production under a subsidy program such as now proposed by the administration?

Mr. ANDERSON of New Mexico. I can answer that very quickly. I will say that I would not expand my dairy production under the subsidy program. I had about determined that I was going to have to sell a large portion of my dairy herd, and may have to follow Secretary Morgenthau's example and still do it, because the subsidy is inflexible. It cannot be

quickly adapted to changing conditions, and is generally applied evenly over an entire area, whereas you may have one individual pocket where prices are inadequate that is causing all the trouble. Milk prices in my home town are not sufficient. Milk prices in some other towns in my State seem ample, and in other towns may be more than sufficient. Yet when the subsidy was put on, every town was treated alike. The town where Senator HATCH lives, the town of Clovis, N. Mex., was probably worse hit than any city in the State, but received the same subsidy as did any other city. It is that inflexible part of the subsidy that I do not like. A free commerce will let prices seek the level that local conditions may require.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Michigan.

Mr. DONDERO. If that applies to the gentleman it will apply to all other farmers having dairy herds.

Mr. ANDERSON of New Mexico. I do not know as to that. I only know how it hit me.

Mr. DONDERO. Has the gentleman allowed, as part of the cost, depreciation and the cost of maintenance of his capital structure?

Mr. ANDERSON of New Mexico. I have not handled it that way exactly, no; but I have tried to figure what a businessman would do if he were trying to calculate the costs, and I have found that the situation has grown progressively worse. Even with the subsidy I am in far worse shape today than I was in 1941, and have plenty of figures to produce the evidence to show that that is correct.

The farmer's great difficulty has been that once the price of milk is fixed, the items entering into the price of milk continue to advance. We were given a price of milk based upon certain developed costs, and then the price of cottonseed cake, of alfalfa, of labor, and of about everything else that has entered into the production of milk was allowed gradually to rise, with the result that what might have been a fair price in January of 1942 became an unfair price in January of 1943, and that by the time it was corrected in the middle of 1943, prices had already gone up on other products so that it was again completely out of line.

I do not think that the administration could have selected a better man than Judge Marvin Jones to administer the subsidy program and to have assumed responsibility for the production of food. But he cannot work miracles—sympathetic as he is to the problems of the farmer.

When one price gets out of line, other prices have to be adjusted. Because we did not have one over-all and all-powerful regulating agency, we found individual price increases whittling away at the relationship between production costs and selling costs on almost every item that the farmer has produced. The result has been the picture that The Dairy Situation for November 1943 gives us.

I quote now from page 4 of the November issue:

Reflecting the lowest production per cow for October 1 since 1939 and the lowest percentage of cows milked on that date in 15 years, total milk production of farms in September is estimated at 9,255,000,000 pounds. This was a decline of 12.5 percent from August, compared with a normal decline of 10 percent.

On page 5 we find an item with reference to butter production. It reads:

Butter production in September was 126,485,000 pounds, the lowest for that month since 1931.

That is the story all the way along the line, and it will be the story until prices are allowed to reach the point where the farmer can find it attractive to retain his herds and develop, rather than decrease, his production.

The CHAIRMAN. The time of the gentleman from New Mexico has again expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DITTER] may extend his remarks at this point.

The CHAIRMAN. Is there objection? There was no objection.

Mr. DITTER. Mr. Chairman, the issue before the House is a simple one—will subsidies provide a sound and substantial barrier to further inflationary trends? On this issue I find myself in disagreement with the President. He has sent a lengthy message to the Congress urging the adoption of a subsidy program. The President's message is skillfully drawn. It is a perfect specimen of capable craftsmanship—a persuasive campaign document. Certain assertions are made which are so obvious that to take exception to them would be foolhardy. I find it difficult, however, to find the pertinency of some of these statements to the issue before us. The President declares that food is a weapon of war. That is a self-evident fact. I am at a loss, however, to see how the granting of a subsidy will produce more of these weapons of war. I am in agreement with the assertion that the disasters of inflation should be avoided. But that assertion does not answer the question which concerns me: How will subsidies aid in the control of the flood of purchasing power let loose by an ever-increasing wage program in a market of decreasing available goods? Other instances might be cited of immaterial assertions.

The President's message would have been much more convincing had it said in so many words how subsidies would halt the flow of purchasing power, how subsidies would let loose a larger volume of purchasable goods, how subsidies would produce one additional bushel of wheat or corn, how taking funds out of the taxpayer's pocket, administering the funds by a Federal agency with its attendant cost, and then distributing the balance of the fund as a subsidy, amounts to anything other than a financial fallacy. One might imagine that subsidies were like the manna in the wilderness—a providence of God. Make no mistake about it, this is not the case. Subsidies, like all other Federal funds gathered by

the taxpayer, are earned in the sweat of every man who labors and of every woman, too.

As I contemplate the concern manifested by the administration over the dangers of inflation, I cannot dismiss from my mind the general loose and easy money policies—inflationary policies—which have characterized the New Deal from the beginning. An easy spending policy is inevitably an inflationary policy.

I realize that many feel it is futile to attempt to change the fixed policy of the administration—the policy which ignores completely the stress and strain imposed on the men and women who pay taxes by every additional dollar of Federal expenditure.

It might be vain in this day of wildcat spending, of political juggling, to urge caution in appropriations, but the time will come when the fallacy of subsidizing our existence will be brought home to the American people with just as much forcefulness as the worthlessness of W. P. A. leaf raking proved to be a few years ago. It may be useless at this time to advocate common sense, but I am convinced the time will come when our people will see all too clearly that a cost-of-living standard which depends on Government grants cannot be substantial.

Gratuities and bounties have always appeared to be the way of life of the New Deal. Today the administration sounds a warning against inflation—a condition which has already been felt by every householder in the land. The condition is a critical one. The President insists that subsidies will provide a remedy for the threatened ills. The suggested remedy is in line with the New Deal's usual policy—spend, give gratuities of one kind or another—to give strength to the impotency of the New Deal.

It is well known that recent policies of the administration in dealing with certain labor demands has resulted in making greater the purchasing power of the people. I find it difficult to grasp the genuineness of concern over inflation in the light of what appears to be a fixed policy in other fields of our economic life. What positive position has the President taken to keep in check the purchasing power growing directly out of the war effort? Are we to assume that one standard applies in one case and an entirely different standard in another. Are we to assume that additional dollars can be pumped into the purchasing stream on one hand, then subsidies provided such as recommended by the President, and the net result will be anti-inflationary? Is this the justification for an additional Treasury raid? How will subsidies give strength to our people in the battle of inflation? Can it be said that it will be encouraging and stimulating to our fighting men, challenged as they are to be courageous, to learn that the drug of subsidies must be resorted to, rather than all-out stand against unwarranted demands of labor leaders? Apparently offensives are desirable on the fighting fronts while a delaying and retreating action is necessary on the home front.

Try as I will I can find no other excuse for the administration's attitude than the political advantage that may accrue from a "keep everybody happy" program. I am driven to this conclusion as I see the wishy-washy methods used in dealing with every factor entering into our economic problem. Subsidies are no doubt palatable. We cannot dismiss from our minds the assurances given by the President when he urged the adoption of an emergency price-control measure that the wage factor, admittedly a very important factor in the inflation problem, could be left to him. The record can speak for itself as to the outcome of that commitment.

I cannot close without making reference to what I believe to be something more dangerous even than the threat of inflation. As a people we are solely in need of a reestablishment of faith in the integrity of Government. I do not believe subsidies will contribute to the reestablishment of that faith.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Maine [Mr. FELLOWS].

Mr. FELLOWS. Mr. Chairman, I am in favor of this bill. The House has under consideration H. R. 3477, which is a bill to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets and for other purposes.

One of the other purposes is found in section 3, which prohibits the use of funds appropriated to or borrowed by or in custody or control of any governmental agency as a consumer subsidy. This bill does not interfere with any operation of the Commodity Credit Corporation producer subsidies or loans authorized under existing law.

The issue revolves around the question of whether the Federal Treasury shall pay the proposed consumer subsidies and continue to pay those already in operation.

The question here is not one of paying subsidies for production. The question is not whether it is advisable to pay producers to encourage production. The question here is whether the consumer shall be paid a subsidy.

The State of Maine produced, among other things in the year 1943, more than 70,000,000 bushels of white potatoes—enough to feed the armed forces of the United States for a year. The official figures indicate this required 192,000 acres. As a matter of fact the best figures indicate nearer 200,000 acres, a tremendous increase over previous years. The farmers of Maine are an alert, capable, conservative group of men and women who believe in and love our form of government.

These men and women are opposed to consumer subsidies, not for selfish reasons, for whether this bill is passed or not they will not be directly affected. They see in the efforts of certain groups in Washington to roll back prices and make up the difference from the Federal Treasury a step that will inevitably lead to the complete socialization of agriculture in America. This step toward regi-

mentation and control will lead to another, until free enterprise on the farm will be a thing of the past.

So-called consumer subsidies are already in operation to a limited extent. On these articles the farmer receives no more and no less. The price to the consumer is reduced and the Federal Treasury makes up the difference. The consumer subsidy and roll-back advocated would put upon the future taxpayers of this country—the returning soldiers, and others—the obligation to pay from taxes or borrowed money a portion of the grocery bills of this present generation now employed on the home front at regular or higher wages, the while the said soldiers fight at \$50 a month to defend free enterprise. It is claimed by spokesmen of the administration that unless the Government is allowed to do this, the forces of inflation will have free rein. Why?

It does not appear why. And I have waited in vain for some sound reason to support that view. This has nothing to do with placing ceilings upon articles. The O. P. A. does that. This has nothing to do with siphoning off purchasing power. The same amount of money will be in circulation if section 3 of this bill is defeated. This has nothing to do with increasing production, because the producer takes nothing whether this bill is passed or not.

It does have something to do with the future of free enterprise in America.

The next avowed purpose of the administration is to purchase some or all of the products of the farm and sell directly to the consumer at a loss.

If this is not socializing America, what is it?

There is no need of extended argument on this question. The ground has been ably covered by the distinguished chairman of the Banking and Currency Committee, the gentleman from Alabama [Mr. STEAGALL] and the ranking minority Member, the gentleman from Michigan [Mr. WOLCOTT], who has completely answered the suggestion that the passage of this bill will have a tendency to increase inflation.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I should like to relate to the House this afternoon an incident that determined my own convictions on the matter now pending. Late in September I addressed a letter to Marvin Jones, the War Food Administrator, pointing out in my rather humble and untutored way, that while I pretended to be no expert in the field of agriculture, I could see when the grasses failed upon the range, range cattle would have to go into market, since the feeders could not afford to buy them and feed them in the Corn Belt. I indicated my best guess was it probably would reach the peak of cattle movement in December and that in connection therewith there would be a heavy hog run so that the packing facilities of the country would be taxed to the limit. That I could sense already, because anyone in looking at the receipts

of 27 primary markets could observe nearly 1,000,000 head of hogs were moving in every week. They did not necessarily tax the facilities of the packing plants. The real difficulty was that a plant could accept no more hogs than at the rate at which it could dispose of the pork products. And if there were no outlets manifestly there was no use in buying more hogs than they could slaughter and dispose of. I suggested then to Mr. Jones that they remove all the restrictions from pork, remove all the rationing restrictions for a period of 90 days; let the people enjoy a succulent pork chop for a little while. Let them enjoy some very juicy and toothsome bacon to their heart's content. Let there be a field day in pork, because we had more hogs than at any other time in the record of the agricultural history of the country. Mr. Jones' office acknowledged the letter, and said they were some rather timely and meritorious observations, but they had other plans.

They proposed to develop orderly marketing through committees. I watched, with baited breath, as we moved on into the field of chaos. We are there now, 2 months later. Did you observe Mr. Jones' release on yesterday? There is a glut; there are too many hogs now for our slaughter facilities. Yes, livestock men knew that months ago even if the Government did not know it. So it is proposed now to say to every farmer under the release issued yesterday that he can slaughter hogs on the farm to his heart's content and he will require no license to sell the meat in the market. You observed the headlines yesterday in the Washington newspapers to the effect that the requirements of rationing points on pork have been diminished by 2 points per pound. Mr. Jones did not go far enough, nor did the O. P. A. They should have taken them off entirely, because that is not going to meet the situation. We are moving into the danger zone and with each passing month it gets infinitely worse. If they make that kind of mistake I shall not be a party to providing any more instrumentalities to make any more mistakes.

We cannot afford any more mistakes. There is an element of morale that is involved here. There is an element of balance that is involved. There is an element of confidence on the part of the producers that is involved here and if you disturb it too seriously, I rather fear for the ultimate results so far as production is concerned. Did not the President, after all, in his subsidy message, admit that there was not sufficient food to go around? And then he said there must be enough of the right kind, at the right time, in the right place. And those six words mean what? They mean planned production. And that does not sit with the farmers of the United States of America. To carry that out, he asked for subsidies, and I am opposed for many reasons. But I give you this illustration of how War Food in my considered judgment erred in meeting the present meat problem. I feel very humble when I let my judgment enter into contest with that of a man so skilled in the field of agriculture as our former beloved col-

league, Marvin Jones, yet in all humility I say a great mistake was made. They admit it now. They admitted it in the release that issued from War Food yesterday to the country. So I reiterate, I do not propose to be a party to more mistakes. I would rather err on the other side.

There is one other aspect of this thing that probably has not been discussed too freely. I feel like saying in the manner and language of the Great Teacher of long ago, "Oh, ye of little faith."

Have you been home recently?

I have been home for a week, Senator. I have talked to many people.

Mr. MORRISON of North Carolina. I thought you were describing yourself so beautifully with that quotation.

Mr. DIRKSEN. I have been home visiting with people, rubbing shoulders and enjoying that kind of fellowship that you can get only when you go home. Probably several thousand people were in those little groups where I visited. Not one mentioned subsidies and not one asked for subsidies. Not one confessed his defeatism and was willing to go on record to have a son or daughter somewhere far afield fighting for the preservation of this Republic, to come back and be apprised that we were going to depend on them in the days to come to shoulder the grocery bill of the present generation.

No, there is no such defeatism out in the country. You find it only in one place in the United States, that is in the slightly effete atmosphere of the United States Capital. You do not find it anywhere else. Folks are not asking for it.

I examined the remarks of the majority leader with a great deal of interest. That is, the remarks he made at the inception of the debate on yesterday. He said, we should not criticize too freely, too caustically unless we had a program to substitute therefor. I have a program. I will tell you what I will substitute for subsidies. Notwithstanding the fact that the President of the United States said in that 12,000-word message that war food, the O. P. A. and the Director of Stabilization, and the Department of Agriculture were handling this very nicely, I still would concentrate authority and channelize it in some one experienced head. Bring it all together. It is a jigsaw puzzle today. I can establish it out of such a humble commodity as pulpwood. The men who wield the axes and make them shiny on the butt of a tree were getting \$6 a ton for pulpwood in central Illinois.

Somebody in Washington decided that \$3.35 a ton would be about enough. What happened? The axes were covered with grease and placed up in the tool sheds not to be used again. Then I was advised by the agency here that there was a mistake in construing and interpreting the regulation that had been gotten out. Just a little confusion; but the mistake has been persisting for weeks and weeks and the program of cutting a tree a day to meet the paper shortage is failing of eventuation at the present time. That is the trouble right now. I saw it and I visited with the head of a timber project only 2 or 3 days

ago out home and got the whole story.

Now if we had concentration, so that instead of having a jigsaw puzzle we would have some symmetrical, well-joined program on every food front, how much better it would be.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOLCOTT. I yield the gentleman 5 additional minutes.

Mr. MORRISON of North Carolina. Will the gentleman yield right there?

Mr. DIRKSEN. I yield briefly.

Mr. MORRISON of North Carolina. Does the gentleman think there is an economist or statesman or businessman, even in the Republican Party or anywhere else in the United States, that could stand the assault made upon him by the greed of the country, if he was given all the power you say ought to be consolidated in him?

Mr. DIRKSEN. The party is filled with men of courage and fortitude to do the job, because for the last 12 years they have had to develop that fortitude on the basis of what has been happening in the country. Yes; there are many in Congress. The steam roller used to go over us so frequently that it developed fortitude and determination to preserve the sane, sound American way of doing business in a climate of freedom. So, I think we could find many who could do the job. Certainly we need experienced people who know something about livestock and about butter and about food, who are going to issue these directives. We have made some progress in the O. P. A. I asked Mr. Bowles recently for a report on bringing experienced personnel into O. P. A. I shall not be satisfied until more business experience, more perspective, permeates and impregnates this whole Federal structure.

Secondly, there should be a revision of control on a lot of these items. There are 800 items, as I understand, now under O. P. A. control, but is it not amazing that about 90 percent of all the food sales virtually consist of 20 commodities? And yet we build up a great administrative wilderness here in dealing with this whole food program with all its consequent confusion.

Next, instead of having the cart before the horse as we have been doing for 2 years let us just stop and unhitch that horse and put the horse where it belongs. Nailing down prices at the consumer level while at every step of production from the farm through the cannery, the packing plant, the processor, the broker, the jobber, the distributor, it is not nailed down—how can it be reasonably expected to stop the inflationary process when there is no control over any prices outside of the simple business of pushing food across a retailer's counter?

The majority leader said we must be responsible for inflation if we vote for the pending bill. We have had inflation for the last 2 years. Prices have gone up 33 percent; on green vegetables and fruits they went up 84 percent. If you are going to eliminate the black market, you are going to have to straighten out O. P. A., putting the emphasis on essential things, getting away from a lot of

things that ought not to have any emphasis whatever today. Then we can see more clearly ahead and keep this thing in line.

In addition to a centralized food authority, experienced personnel to handle food problems at every level, an over-all simplification of rationing, the management of controls at various levels of food production and processing, there should be some kind of synchronization between rationing and production.

Thus far our thinking on rationing has been but a device to divide as equitably as possible the available supplies. But why not gear it to production? The value of a point will determine where the production emphasis must be placed and that, of course, brings us to the heart of the program for meeting our present problem, namely, production.

The answer to the whole program is production. Say what you like, you cannot meet this inflation problem by any other means except production unless you want to siphon off in the form of taxes all the money that people earn, or immobilize most of their income. But if you siphon off their income who is going to buy \$17,000,000,000 of bonds in each War bond drive? Will somebody answer that question? Politically, economically, socially, that does not seem to be the expedient thing. So you go back to the whole question of production all over again and we are not going to solve it until a little more common sense pervades some policies that have been in effect.

I have a letter from a mother. One boy in the Army out in New Guinea; a younger boy helping to run a 200-acre farm. In October they were filling the silo. It collapsed and fell on this youngster and he died right there. A heavy mortgage on the farm. She sent me a note saying:

Mr. DIRKSEN, can you get my other son out of the service? Who is going to operate this farm?

I tried to get him out. I failed.

I went out to see another farm when I was home. It is 480 acres in extent with perhaps 500 head of livestock. The one who was left on the farm has infantile paralysis to such a degree that his frame is firmly stooped over and his eyes always look at the ground. He said: "Can you not get my one brother out of the service? If you do not," he said, "this farm goes on the block."

And it is on the block right now.

Can we not get some of these farm boys out of the service? Otherwise how can we solve this problem of production? It is in proportion as produce moves into the market that you are going to deal effectively with inflation and the inflationary prospects that arise from the monetization of a debt of hundreds of billions through the banks of the country. That in my judgment is the only fair, reasonable, durable answer and not this business of reaching into the Federal Treasury for the purpose of paying subsidies upon the food that we eat in this generation.

The argument against subsidies has been thoroughly explored. They but

add to the inflationary forces already at work. They create an aggravated problem for the future when removed. If they remain, after the war terminates, it but means that we have a permanent problem on our hands. They apply to only certain commodities and the statistics offered on this whole subject are not too accurate because the black market operations are not revealed. They deal mainly with end results and not with basic causes. They ignore the very basic fact that in a wartime economy, production is and must be the primary consideration.

Let us not stray from the basic remedy. It is production and more production and that means a fair price, adequate manpower and ample machinery.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time to the gentleman from Arizona [Mr. MURDOCK] as he may desire.

Mr. MURDOCK. Mr. Chairman, for me it is well that I shall have at least 2 days to read the debates in the CONGRESSIONAL RECORD over the week end before this bill is read for amendments and the final vote is taken. During the last 2 days I have listened through most of these debates and find myself confused. Therefore I am promising myself that I shall reread tomorrow and Sunday what Members have said here on this bill in general debate. I do feel we have a lot of discussion pro and con available for study, but I shall need it with this highly controversial proposal.

This bill, or at least that part of it in section 3 dealing with subsidies, is very technical as well as highly controversial. I have heard it said many times on the floor of this House through the 7 momentous years during which I have been a Member, "The bill before us is of paramount importance and of more vital concern to the welfare of our country than any other measure we have been called upon to vote for a long time." Well, I think really that such is true of this measure, for I regard it as of great significance and of outstanding importance, even in the midst of those other momentous measures we have been called upon to consider during the last half-dozen fateful years in American history. Why do I think so? Because I believe that our war upon inflation is as meaningful to our country as the military war against the Axis foes.

Mr. Chairman, an intimate knowledge of economics, business, human nature, and the perils of the situation should be had by each one of us before casting this vote. Much as we have discussed it the last 2 days my mind is not made up. I do need more time to sleep on it and to think over it. Where such a life-and-death situation confronts our Nation we ought to bring science and sense rather than politics and prejudice to bear on our thinking. Which will determine our vote?

I had some questions of an elementary kind which I intended to place before you in an extension of remarks 2 days ago, but neglected to do so in time for any to answer during general debate. However, I will insert them in the RECORD to-

night with the hope that someone before the vote is taken can enlighten me on the matters involved.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time to the gentleman from Indiana [Mr. MADDEN] as he desires.

Mr. MADDEN. Mr. Chairman, in the discussion on the floor of the House yesterday and today regarding the continuance of the Commodity Credit Corporation, I have heard references to producer subsidies and consumer subsidies which I believe are misnomers. The so-called subsidies involved in this legislation are war subsidies and should be referred to as war subsidies. Outside of the fighting front, the greatest problem of this country today is the imminent threat of inflation and a complete wrecking of our entire home economy.

I represent one of the greatest industrial districts in the United States. Thousands of men and women are engaged in factories which are producing steel, airplane parts, tanks, ammunition, and all of the necessities that are essential to the winning of this war. The great majority of these men and women in most instances are applying their daily wage to the feeding, clothing, sheltering and educating of large families. A world war necessarily brings about an abnormal and unusual economic upheaval. It is the duty of every Member of this House to protect the millions of men, women, and children of America who will be thrown into impossible financial hardships if living costs are allowed to increase beyond the present burdens which they are now bearing without complaint.

The President has courageously done his duty in holding the line against the breaking through of inflation. If this Congress permits legislation to be passed that will bring about unreasonable increase in the price of necessities, and as a result thereof, demands for higher wages to meet these increases may eventually bring about strikes and tie-up of war production, the responsibility will rest upon the shoulders of this Congress.

I have heard it mentioned in this discussion that it does not make any difference whether these increased war costs are paid directly by the consumer or indirectly through Government subsidies. That statement is misleading because when increase is made on the price of necessities, pyramiding immediately starts to take effect.

For instance, increasing war costs make it necessary to pay the farmers 10 cents more for a bushel of corn. If this increase is paid directly to the farmer by the Government, that is the end of it. On the other hand, if the farmer is allowed an increase to 10 cents a bushel, that is only the beginning. Ten cents more a bushel for corn means that the hog raiser will have to charge more to the packer; the packer more to the

wholesaler; the wholesaler more to the retailer and the retailer more to the housewife—with the cost pyramiding along as each normal profit is added on. This explains the President's statement that only eight hundred million spent for subsidies this year saved the Government and consumers billions of dollars.

Prices and rent ceilings, wage and farm price stabilization, War bond buying, rationing of scarce essentials, are necessary to preserve the economic welfare of our country in a wartime emergency like this. The establishment and continuance of wartime subsidies to keep the price of life's necessities within reason is essential for the rapid winning of the war. The very fact that Congress has refused to increase taxes this fall makes it doubly important to hold the line on all fronts including prices of life's necessities. By paying wartime subsidies to food producers or processors, the Nation can bring out full production without increasing the cost to the consumers. The amount so paid will be but a fraction of the cost of a general price rise which would certainly bring on new wage increases and the spiral of economic ruination would continue to grow.

Regardless of everything that has been said pro and con on this legislation, I believe the above is the simplest and most concise explanation of the necessities of wartime subsidies.

(Mr. MADDEN asked and was given permission to revise and extend his own remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. RABAUT].

[Mr. RABAUT addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. RABAUT asked and was given permission to revise and extend his own remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. D'ALESSANDRO].

Mr. D'ALESSANDRO. Mr. Chairman, under unanimous consent to revise and extend my remarks in committee, I include at this point correspondence I received from the Maryland Citizens Committee for Democracy, Baltimore League of Women Voters, and a petition from Local 43, Industrial Union of Marine and Shipbuilding Workers of America:

THE MARYLAND CITIZENS

COMMITTEE FOR DEMOCRACY,

Baltimore, Md., November 15, 1943.

Hon. THOMAS D'ALESSANDRO,

House Office Building,

Washington, D. C.

DEAR MR. D'ALESSANDRO: The Maryland Citizens Committee for Democracy urges that you vote in favor of food subsidies because:

It is imperative that there be no further inflation and further inflation must result if food prices are permitted to continue to rise. By subsidies production can be maintained and food prices stabilized.

So many other commodities and industries both inside and outside the war effort have been and are subsidized—some of these subsidies dating back to 1789—the argument that food subsidies are un-American and unconstitutional, etc., are not valid.

Further we consider the use of such arguments intentionally hypocritical—the flag-waving of the unpatriotic who try to hide their real purpose (inflation in this case) behind the American flag.

We will watch the vote on food subsidies with keen interest.

Sincerely,

“ELIZABETH HOLT DOWNS

(Mrs. James R. Downs),

Corresponding Secretary.

BALTIMORE LEAGUE OF WOMEN VOTERS,

Baltimore, Md., November 16, 1943.

Hon. THOMAS D'ALESSANDRO,

House Office Building,

Washington, D. C.

DEAR MR. D'ALESSANDRO: The Baltimore League of Women Voters is very much disturbed by the reported sentiment in Congress against food subsidies. In our opinion the issue is clear.

Our Government has asked farmers as well as industrialists and mine owners, to produce more for the war even though it means producing at a higher cost. Increased costs can be met either by higher prices or by Government subsidies. Higher prices must, of course, result in bigger and worse inflation. The farm pressure groups (with the exception of the Farmers Union) have made it quite plain that this is what they want. We as individuals and consumers, and as an organization that has the welfare of our country at heart, are opposed to further increases in food prices. We therefore urge that you vote in favor of food subsidies.

We are mindful of the fact that the subsidizing of food is only one facet of the anti-inflation program, albeit a very important facet. We know, too, that subsidies are slightly inflationary, but so much less so than increase in prices that we strongly urge their use. The line against inflation is being threatened by the big farm pressure groups and their cohorts in Congress. We look to you to hold that line and keep it unbroken. Your vote will tell us on which side you stand.

Sincerely,

BEULAH A. HESS, President.

PETITION OF LOCAL NO. 43, INDUSTRIAL UNION OF MARINE AND SHIPBUILDING WORKERS OF AMERICA

To the Members of the Maryland delegation, the House of Representatives; President Roosevelt, White House; Office of Price Administration; Maritime Commission; National War Labor Board; Department of Labor; Department of Agriculture; Senators Tydings and Radcliffe:

We, the men and women in the Bethlehem-Fairfield Shipyard, Baltimore, Md., who are building ships to help win the war in the shortest time possible, demand that prices of essential goods, food, clothing, rents, etc., be reduced to meet the wages we receive, or that wages be adjusted upward to meet the tremendous rise in the cost of living.

We believe that prices can be reduced or wages adjusted in the shortest time possible by adopting the proposal of the President that the difference between cost of production of essential foods and the prices farmers get, be paid or subsidized by the Government. In this way the rich individuals and corporations will be compelled to pay their share of high prices. If the President's \$800,000,000 subsidy program is not passed, we will be in the middle. We will have exorbitant prices and most of the taxes to pay, on the one hand, and a frozen wage scale on the other. Before this heavy burden of prices and taxes as against an inadequate wage scale leads to serious difficulties, we urge you to take a vigorous stand in our behalf. We urge the Members of the Maryland delegation to insert this full petition

in the CONGRESSIONAL RECORD and fight for the President's program every step of the way.

This petition was signed by thousands of men and women of this organization.

(Mr. D'ALESSANDRO asked and was given permission to revise and extend his own remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I have been very much interested in this bill to extend the Commodity Credit Corporation and in the question of subsidies. Of course, I am in favor of the continuation of the Commodity Credit Corporation, but that is not the element of controversy in the bill. I have read the hearings which were conducted on the bill and I have listened to many speeches. The more I hear and read, the more disturbed I become over so-called consumer subsidies.

To be perfectly frank, I must say that I believe in support prices for agricultural products and any subsidy to agriculture that could be proved necessary to maintain a fair price or increase production. A fair price in the market place is what the farmer desires. He asks no more. But the question of producer subsidies to increase production does not seem to be the question at issue in this bill.

The question in this bill is, Shall we subsidize consumers? That is, shall we help pay the meat, butter, milk, and bread bill of the consumers out of the Federal Treasury, a Federal Treasury which is threatened with bankruptcy? The welfare of the consumer cannot be disregarded. But the more I study the problem the more I question the desirability of consumer subsidies. In the name of helping the consumer, we must not flirt with disaster. We must not take a chance on wrecking the country—destroying agricultural production and bankrupting our Nation. It does not seem quite ethical for the Government to be paying a part of the grocery bill of all the people at the greatest period of prosperity and widespread employment in the Nation's history. If we cannot pay the farmer a fair price for his products now, when will we ever be able to do it? But the matter is more important than that. To win on the battle front, we must win on the production front, on farm and in factory. Production must be stimulated.

But those who favor consumer subsidies lift a finger of warning and say that if the price of bread should go up a penny a loaf, milk a penny a quart, and meat and butter a few cents a pound, making an annual increase in a man's grocery bill of a few dollars, there will have to be a great increase in the wages of industrial workers and that our Nation will be thrown immediately into the throes of uncontrolled inflation and certain disaster. I cannot follow this argument, but if I am in error I should like to know it. The country's welfare is at stake, and we must do whatever is necessary to meet the demands of the hour.

Let me say emphatically that I believe in price control. There may be those who favor uncontrolled inflation, but I am not one of them. Moreover, I believe the people whom I represent in Congress are in favor of price control, price control reasonably administered. They know that uncontrolled inflation would wreck the country. But why would everybody have to have a wage increase if bread went up a penny a loaf, milk a penny a quart, and butter 60 cents a year? My observation has been that the increase in the price of fruits and vegetables has presented the more difficult problem. I will admit that if all Americans were on the ragged edge, working for starvation wages, and if they did not have a penny left over after paying the grocery bill, then a small increase in the price of groceries would have to mean a few less groceries or a higher wage.

But that is not the situation—certainly not in the average family. The national income this year will be about \$150,000,000,000. You can buy a lot of groceries with that. Moreover, we spend only about 22 percent of our national income for food. That proportion is not considered unreasonable when compared with past experience. Yes; the national income is to be about \$150,000,000,000. It is estimated that after we pay our grocery bills, rent, other expenses, about \$40,000,000,000 in taxes, and buy all the goods that are available for purchase, we will have about \$40,000,000,000 left over. The experts say that this is the money that creates the inflation threat. This is the money that the President wanted us to partially collect in new taxes, save, and buy bonds with. Would it not be best to use part of this money to pay the necessary price for food? Again I say if the price of milk went up a penny a quart, we would have to raise wages a penny a day if our people were making no more than enough to barely pay their grocery bill. But we are making about \$150,000,000,000 annually and we should have about \$40,000,000,000 in surplus income at the end of the year—a sum equal to the entire national income in 1932. Unfortunately, this money will not be very equitably distributed among our people. There will be many hardship cases. But why are consumer subsidies out of Federal tax money and borrowed money necessary? And why do we have to have uncontrolled inflation and a lot of unjustified wage increases. Some increases may be necessary, and if they are, they should be made. Surely there are not many who now deserve further increase—certainly not in the war factories of the Nation. Oh, but it is said, "Sure, most people can well afford to pay adequately for their food, but there are certain groups that cannot."

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MAHON. Those who say this make it all very simple. Here it is: A relatively small percentage of the people do not make sufficient income to pay adequately for their butter, milk, and

bread, so the Federal Government will help every American pay his grocery bill, taking the money out of the Federal Treasury. The plan is to subsidize all the people, rich and poor alike, those not needing such a subsidy being in the majority. And I am not unsympathetic toward those who have been severely hampered by subnormal income and rising living costs. Most all Americans have had their difficulties and we can hardly expect anything else in wartime.

Moreover, if the Government pays part of each man's grocery bill, from John D. Rockefeller to John Doe, there are going to be a lot of overhead administrative costs, a lot of dreaming, blundering bureaucrats to deal with, and a lot of additional regimentation upon our people.

Mr. Chairman, I believe there is a better way to handle the problem.

Another thing, if Americans have to pay an additional penny for milk and bread, do you not think that most of them can afford to do it? Would it be out of order for Americans on the home front to do a little sacrificing? Our men are fighting in the mud in Italy, on the bloody road to Rome. In the Southwest Pacific the boys are fighting malaria, the jungles, and the Japs. The boys are flying over Germany in the face of deadly peril and they do not all come back to their bases. What would they give for an end of this war and a chance to come home to the country they love? This wrangling over profits and higher wages where higher wages are not due, must make our wounded boys in hospitals and all those who bear our colors overseas sick at heart. Let us be Americans who are worthy of our country in this great and tragic hour—Americans willing to make the necessary sacrifices. After all, the ones who are making the real sacrifices in this war are the ones who are hazarding their lives on the fighting fronts—they and their parents, wives, and loved ones.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Ohio. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, in the current discussion of subsidies, the Congress and the Nation have been burdened with a mass of statistical information. Most of the statistics have emanated either from the Bureau of Agricultural Economics or the Bureau of Labor Statistics. Proponents and opponents of the subsidy program are quoting statistics designed to support their respective contentions. The result is that certain groups in this country have questioned the authenticity of the statistics given by the Bureau of Labor Statistics as to the earnings of workers and the statistics involved in the cost-of-living index. The Secretary of Labor, apparently viewing with alarm this attack upon the Bureau of Labor Statistics, appointed a committee of impartial statistical experts to make a survey of the findings and figures issued by the Bureau of Labor Statistics. That report has been published and substantiates the accuracy of the Bureau's figures.

As this committee pointed out in its report, the difficulty lies in the use and interpretation of the statistics. Having been confused in my own thinking by the variety of statistics quoted, I have recently secured from the Bureau of Labor Statistics definite figures relating to wage increases and cost-of-living indexes that can be definitely relied upon in connection with the present discussion. The Bureau advises me that between January 1939 and January 1941—the base date of the Little Steel formula—average hourly earnings increased from 63.2 to 68.3 cents, or 8.1 percent.

From January 1941 to October 1942, when Congress passed the Stabilization Act; they advanced to 89.3 cents, or an increase of 30.7 percent. Since then the average has advanced to 96.5 cents by August 1943, or another 8.1 percent. This means that average hourly earnings of wage earners, both part-time and full-time, increased between January 1939 and August 1943, 41.3 percent.

In order to be perfectly fair, however, it should be stated that while this percentage increase does not measure changes in wage rates, it should be pointed out that earnings have increased more rapidly than hourly rates for two reasons, namely: Much more overtime is being worked today at a premium rate, and there has been a greater expansion of employment in high-wage industries. Of the present average of 96.5 cents, representing the average hourly earnings in August 1943, 6.5 cents is due to averaging in payments for overtime. The Bureau estimates that in January 1941 the average earnings at straight-time rates would have been about 66.4 cents per hour. The estimate for August 1943 is 90 cents, or 35.6 percent more than in January 1941.

Thus it is clear that while average hourly earnings have increased 41.3 percent between January 1939 and August 1943, the hourly wage rate has increased only 35.6 percent. It should be noted that average hourly earnings would have risen between 1941 and 1943 even if the hourly rates had remained unchanged, because of the transition of wage earners from low-paid industries, like textiles, into the higher-paid industries working in metals and shipyard construction.

The Bureau advises me that if employment had been distributed among industries in August 1943 in the same proportions as in January 1941, straight-time earnings would be 85 cents per hour rather than 90 cents. Thus it is clear that hourly earnings uninfluenced by overtime or by changes in employment also increased from 66.4 cents in January 1941 to 85 cents in August 1943, a total of 28 percent over January 1941.

The average level of retail prices, as measured by the Bureau of Labor Statistics' cost-of-living index, increased 18.1 percent from January 1941 to August 1942, and further 3.7 percent from October 1942 to August 1943, a total of 22.4 percent since January 1941.

Thus it may be seen that average factory wage rates have advanced 28 percent since January 1941, and the average level of retail prices had only in-

creased 22.4 percent to August 1943. It is fair to state that these are average figures and that many rates have not been changed substantially in this period. The wage increases under the formula of the War Labor Board have been accepted only where rates are low compared to those generally prevailing. While this causes the average to rise, it does not mean that wage increases have been general since October.

It should also be stated that while these figures indicate an increase in average rates of pay since January 1941 amounting to 28 percent while retail prices increased only 22.4 percent, there still may be many workers whose rates have advanced less than retail prices. Many workers have received rate increases of 30 or 40 percent. Many have received increases no greater than are permitted under the Little Steel formula—15 percent. In some communities, retail prices have advanced much more than 22.4. For example, Savannah, Ga., where the increase is more than 30 percent. There will, therefore, obviously be many jobs of which it may be said that rates of hourly pay have advanced less than the retail prices, even though the average indicates that there are more factory jobs of which the reverse is true.

Measured in terms of the ability of the average worker to meet his expenses, it would seem to me that we should in all fairness consider what increase in the average hourly earnings of the worker has been since January 1941. The figures heretofore referred to indicate that as to actual earnings, the increase has been 41.3 percent. Comparing this with the average level of retail prices which shows a total increase of 22.4 percent during the same period of time, it should be clear that, uninfluenced by other considerations, the average worker today as a result of an increase in average rates plus longer hours, actually earns 41.3 percent more than he did in January 1941, while his cost of living has increased only 22.4 percent. The worker, however, is generally interested in what he actually takes home. An examination of the average figures discloses that in January 1941 the gross average weekly earnings was \$26.64, which after deduction of social-security taxes left \$26.38 for the worker to take home. His gross weekly earnings in August 1943 was \$43.43. We find, however, that the average worker is permitting a deduction from his wages for the purchase of bonds and in addition to social-security taxes, further withholdings for tax purposes have reduced to amount of his take-home wages. Computation of these figures indicates that a married man with no children whose gross weekly earnings in August 1943 was \$43.43 a week, actually took home after the bond deductions and tax, \$33.85; a married man with one child, \$35.13; and a married man with two children, \$36.41.

To be perfectly fair, we should further explore and compute the difference between the take-home wages in January 1941 and those in August 1943. As I have already indicated, the take-home average earnings of the worker in January 1941 was \$26.38. A married man

with no children in 1943 took home \$33.85. Adjusting the cost-of-living index to these take-home wages, we find that in August 1943, the average wage earner would have to spend \$32.39 to obtain goods and services which cost \$26.38 in January 1941. These figures indicate that after payment of taxes and after saving 10 percent of his wages in the form of bond deductions, the married man with no children in August 1943 would be able to buy the same amount of goods and services he bought in January 1941 and have \$1.56 left. The married man with one child would have \$2.84 left, and the married man with two children would have \$4.04 left.

Thus we see that by the cold, naked figures, the average wage earner in America is enjoying a "take home" wage, after providing for his taxes and bond savings, considerably in excess of the rise in the cost of living.

If no consideration is given to the payment of taxes or bond savings, the average worker is still better off according to the figures of the Bureau of Labor Statistics. However, this does not necessarily mean that the worker in all cases is better off, because he might have had to move to a new town. He may have to eat more restaurant meals because of his longer hours, and it may be, that as a result of quality depreciation, he does not live as well in 1943 as in 1941 with a given amount of money. With all these qualifications, however, it is certain that the average factory earner today certainly has the same command over goods and services as the average wage earner had in 1941, as measured by his "take home" wages. No one can successfully contend, in the face of these figures, that the average worker is worse off at the present time.

I believe it is only fair to state, that in as much as all figures used in these discussions are average, there will be many workers who are much better off today in their ability to purchase consumer goods than they were in 1941, and there may be some who, because of changed location, quality deterioration, longer hours, and so forth, are not in a much better position than they were in 1941 with respect to their present ability to purchase goods and services. When consideration is given, however, to the over-all picture and we credit the average worker with the payment of his taxes, building up a reserve for retirement under social security plus savings in the form of bond purchases, there can be little doubt that a fair appraisal of the accurate figures clearly demonstrates that the average increase in the cost of living to the average worker in America is far under the increase in wages which the average worker now enjoys.

I am submitting these figures for the RECORD for what they may be worth in connection with some of the arguments made in favor of the extension of subsidies.

(Mr. KEEFE asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, the Congress of the United States has emphasized repeatedly that it opposes consumer subsidies. Every time this issue has been considered both Houses have opposed the payment of Government funds for the purpose of selling foods to the consumers of the country below support prices which the farmer obtains for his commodities. Congress has taken this view because it sees the necessity of meeting the costs of producing food in order to increase production for war and civilian needs. In the Price Control Act of October 2, 1942, the following provision was contained:

Provided, That modification shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs.

Under this provision it was mandatory on the President to modify maximum prices for agricultural commodities where the same were necessary to increase the production of such commodity for the needs of war, as well as to make modifications of the ceilings by allowing for increased farm-labor costs to the producers. Do you think that the mandate of Congress was complied with? Let me tell you what happened. Within only a few days after the enactment of the act, subsidies were being paid on milk instead of carrying out the expressed provision of an act of Congress.

If consumer subsidies are permitted, it means the establishment of additional Federal control and regulation. A specific provision written in the bill prohibiting and outlawing the payment of food subsidies is the only logical method to stop these payments. In a recent decision of the Supreme Court of the United States the rights of the Government to "regulate that which it subsidizes" was recognized. There is justification in having certain Government controls in wartime. There can be no justification in setting up any new Government control over the citizens of the Nation for the purpose of rolling back living costs on those items only which amount to but a small fraction of the total costs of living. What is needed in this country is less Government control instead of imposing new ones. What we need is fewer Government employees instead of increasing the number on the rolls. The people are clamoring for retrenchment in the operation of governmental affairs and they oppose the continuation of policies, of long standing, of increasing the powers of the central Government. A subsidy means control of the recipients of such payment. Our people have a right to expect of their Representatives that we put an early end to the socialistic trends which have swept America for the past several years. The adoption of Section 3 as written into this bill by the Committee on Banking and Currency

will be a step in the right direction in doing just that. To strike Section 3 from the bill would leave the executive branch of the Government free to pay consumer subsidies, a concoction to further regiment America at a cost so alarming that even we opponents of such a plan would not attempt to estimate. The \$800,000,000 asked of this Congress would be only a start if the green signal is given. The subsidy plan means a substitution of a policy of the Government supporting the people rather than the people supporting the Government. Should such a plan be adopted, it would be establishing a system of Government which our armed forces are fighting against on all the battle fronts of the world.

The wage earners of America are paying the smallest amount from their earnings for the food they consume than ever before in the history of this country. Only 21 percent of the total cost of living goes into the purchase of food. When the original Price Control Act was before Congress, the Baruch plan was considered. It provided for across-the-board stabilization of price, profits, and wages. Leon Henderson argued for at least a year that wages should not be controlled. He favored strict stabilization in the price of agricultural products. I strongly supported the Baruch over-all plan, and should it have been put into effect at that time, our economy would not be threatened with inflation as it is today with an inflationary gap of \$63,000,000,000 competing for consumer goods. Let us see what the facts are. Up to September 1943 wages have advanced 74.2 percent in comparison with an increase of 18 percent in the cost of living, or more than four times the cost of living. At the same time industrial earnings have gone up 89.2 percent or nearly five times as much as living costs. The cost of living of the farmer has advanced along with that of everyone else and in addition he has had to contend with the greatest increase in wages of any domestic industry. Since 1941 farm wages have advanced by 81.1 percent. The cost of living today is 1.6 percent above the 1929 level; the per capita income in America is 59 percent above the 1929 income, with practically everyone in the family working. In 1929 the price of butter was 45 cents a pound and no one complained. Butter was selling for 46 cents a pound when the roll-back went into effect which paid the middleman a subsidy of 5 cents a pound—the consumer paying today 41 cents a pound which is 4 cents below the 1929 price. That is the reason that we have been complaining about the scarcity of butter.

It just does not make sense to charge that the farmer is the cause of all of our economic ills. He only asks fair prices for his products in the open and free market. Twenty-one percent of the total cost of living should not be singled out as the sole and exclusive cause of any inflationary ills that may come to the country. Industrial labor is demanding that the prices of foods be rolled back to the September 15 level or to an extent of a saving of 10 percent to the consumers. This means that they are asking an additional 10 percent in wages. With the

\$63,000,000,000 inflationary gap, according to the figures of Secretary Morgenthau, it would be highly inflationary for Congress to support a roll-back on the price of foods. Common, ordinary horse sense tells us that when we desire to increase production and decrease consumption the thing we do is to increase the price. If we desire to decrease production and increase consumption, we decrease the price. Our trouble is that we have too much spending power and too few goods to purchase, yet the proponents of subsidies are asking Congress to reduce prices. What kind of reasoning and logic is that? Let us face this problem realistically. I trust that the bill as recommended by the Banking and Currency Committee will be speedily enacted.

(Mr. GATHINGS asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Mr. Chairman, our friends over on the left, I think, are pretty hard on my party. For some time I have heard your criticisms. I have been anxious not to provoke political controversy here in these wartimes, and the few opportunities I have had should not provoke any reply, but I want you to good-naturedly let me quarrel just a little bit with you about that. You do not even want to let us have our party name. You want to change the name of the grand old Democratic Party, the oldest party dealing with governmental affairs in all the world today. You say we are a New Deal Party. One thing a Republican is very careful to do is never to mention the Democratic Party. It is a ghost of righteousness that he is afraid even to name. New Deal Party? Why, there is no such thing as a New Deal Party. The New Deal was the program, the hand dealt, figuratively speaking, to rescue this country from the debacle into which the Republican Party had thrown it from Harding to Hoover. It was a program to restore a constitutional democratic American Government in the United States, which you had well-nigh destroyed in your long tenure of office and your misguided concept of duty to the American people.

They talk about saving the country. The country would have been gone if it had not been for Franklin D. Roosevelt and the great millions of American people who inaugurated him President of the United States in 1932 and took this country's government back from the few great selfish groups to which you had allowed it to go in greed and grasping plunder of the American people. That is what I think about the record of your party, and yet I hate to say anything about it here. You really provoke a good-natured man and an old man by your almost constant assaults upon everybody connected with this great Democratic administration.

This subsidy is a part of a program—not a whole program but a part of a program—which this great administration asked for, to carry us on successfully through the great conflict in which we

are now engaged. Oh, if we can keep at it for a few more months, victory, victory, glorious and complete, will come to the standards of democracy and liberty everywhere. For God's sake, do not let us wreck it and tear it down with a little bit of small, old-fashioned Republican politics. Let us not do that.

Today we are doing well. Last spring you prophesied wreck and destruction, but we had not been wrecked up to then and we have not been wrecked now. If we are wrecked, you will wreck us, because if you uphold the hands of this greatest of the earth's champions of democracy and of constitutional government in all time, we will win and we will win triumphantly.

I know it is hard for you not to hate him because he beat you once, he beat you twice, he beat you three times, and by the eternal God it is the hope of humanity that he will beat you the fourth time at the next election.

Yes; I am in favor of free enterprise. Even the brilliant young Governor of New York, one of the beacon lights of Republicanism, the other night said the great duty on us was to restore free enterprise in the United States, free commerce, economic freedom. Freedom from what? Freedom from the law. You want to tear down all restraints. You are promising selfish business groups all over this country a destruction of control, freedom.

Yes, you are going to suspend the Constitution of the United States, you are going to quit controlling commerce, you are going to adopt instead the old Rob Roy plan, the simple plan of "Let him take who has the power, let him keep who can." We tried that sort of freedom in the United States from Harding to Hoover, and by the eternal God, if it had not been for Roosevelt and the grand old Democratic Party, not the New Deal Party, that rescued us from you, we would have been in a poor fix to have met this world conflict. Suppose we had gone into this mighty conflict under the form of government we had and with the degree of prosperity of business we had when Roosevelt was inaugurated President. Where would we have been? We were well-nigh destroyed without the assault of Hitler, Mussolini, Hirohito, the devil, and the rest of them. If they had assaulted us before Roosevelt and the Democratic Party, yes; God bless its name, not the New Deal Party but the Democratic Party, rescued this Government and stood it up and increased its productivity, and restored prosperity and opportunity, we would probably today be under the heel of Hitler and the damnable gangs around him.

All of this talk about somebody wanting to act the rascal, and tyrants, bureaucrats, and destroyers of government—you know there is not a word of truth in it. What are you talking about? Why do you regale the country with that sort of stuff? I always did say in every campaign where I was ever challenged about it that there was no reason why a Republican was not just as patriotic as a Democrat, but I have asserted that we have more sense than they had about government. That is the only superiority I claim.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of North Carolina. I yield.

Mr. SCOTT. Will the gentleman tell us whatever happened to the Democratic Party?

Mr. MORRISON of North Carolina. What happened to it? Why, my dear friend, what happened to it is that we have written in the last 10 years into the history of this country the most glorious chapters that adorn its whole history. We rescued this Government from the plundering groups to which your free economy and your unbridled business leadership had thrown it.

And we put it back into the Constitution of the country and gave the Government back to the people. And neither Hitler, Mussolini, Hirohito, the devil, and the rest of them can whip the United States under the leadership of Franklin D. Roosevelt and the Democratic Party. If we had to go into it, why, do you know the income of this country, we are talking about spending money, the income of this country could pay for the whole expense of the war this year, the whole \$100,000,000,000, and we could have more income left than we had under Herbert Hoover when he was President of the United States the year he went out. Now, let us discuss this thing hereafter like we were all Americans and all patriots. Why, you talk about ex-Senator Byrnes, ex-Senator Brown, ex-Congressman Jones, the country's greatest business people, Republicans and Democrats, and your own great leaders like Mr. Stimson, the Secretary of War, and the great, and I admire him very much, Mr. Knox, Secretary of the Navy, as if they were enemies of America trying to submerge its liberties. Why, when you get off by yourselves I know you are ashamed about any such unbrotherly and unpatriotic nonsense. Let us get under the flag.

What about the subsidies? Let me come to that. It is a part of one glorious whole. Listen, gentlemen, bear with me for a minute, because this is quite important. I would not undertake to legislate on an appropriation specifically for any subsidies here. We are not competent to do it in a legislative body. We are simply standing for a program that will give the President, the leader of our Armies and our Navies, our constitutional leader, more power in a crisis than any branch of Congress, giving him the power to use subsidies as well as price control to protect the people of this country from hunger and want and misery and wretchedness. I stand for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield 2 additional minutes to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. And we want him to have that power. I hope he will have to use it very sparingly. One of my brilliant young friends here talked about paying the board bill and the grocery bill of their people, that it will never be used except for a few items. I hope it won't be necessary, and maybe only a short while then. But let him have the power. When we are going to

whip our enemies on the battlefields, we must have all the instrumentalities to destroy the minions of hell that we can invent and manufacture in fighting this other specter of hunger and want, and starvation and misery. Let us clothe our great leader with price control, with some money for subsidies, and everything that will enable him to keep us from becoming demoralized. Let us keep him strong, and let us be united under the flag. And never fear, it will be done in honesty and cleanliness, because whatever you may say, you may challenge the judgment of this administration, but nobody has yet challenged its honesty. There has been greater cleanliness in the Democratic Party. Why, the Republican Party in 12 months after you came in, back yonder under Harding, I will swear you stole more than the Democrats have stolen under Roosevelt during his whole 10 years in office, to such an extent that, what happened to the glorious Republicans of the United States, that great party of honesty? The people turned on your own party and smote it hip and thigh until you did not carry but one little State, I believe, in the whole Union. Now, that is the record.

Now let us discuss this thing hereafter with some respect for each other, and as if we were all Americans whose sons and nephews and sons-in-law are dying under the flag wherever manhood is being tried. I love a Republican. I like him better than anybody else that God ever made except a Democrat. I cannot love him quite that well. I want you to love me.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SMITH of Ohio. Mr. Chairman, I yield to the gentleman from Kansas [Mr. HOPE] 10 minutes.

Mr. HOPE. Mr. Chairman, I am sure that the senatorial campaign of the distinguished gentleman from North Carolina has gotten off to a flying start. We are all for him on the Republican side and wish him well in the primary. But if the gentleman from North Carolina is interested in the pending legislation he does not need to seek converts among the Republicans. If he can just get the full support of his own side of the aisle he will have all the votes he needs.

There has been a lot said in the course of this debate about the danger of inflation, and what is going to happen if we do not permit subsidies to be paid. But I contend that up until this good hour at least there has been no real effort on the part of this administration to carry out a program against inflation in this country. Now, it is true we have had price-control legislation. We passed a bill in this House back in the fall of 1941 which became a law in January 1942, which was called a price-control bill and which failed, as we all know, to stop price increases. The situation became so bad that the President sent a message to us in September 1942, insisting that Congress pass further legislation with reference to price control. We did pass a bill at that time.

The reason that the first price-control bill was ineffective was because it did not touch wages, the primary cause of inflation, or increased prices. The ad-

ministration insisted that we not go into the subject of wages. There was an amendment offered here when that bill was under consideration, offered by the gentleman from Tennessee [Mr. GORE], which I supported, by the way, which would have put into effect control of wages, as well as control of prices. That amendment, with the administration opposing it as vigorously as it possibly could, was voted down and we passed an ineffective bill. When the President sent us a message a year ago last September, he still did not ask us to do anything about wages. He said, "I will take care of wages. You control prices, particularly agricultural prices." He said the farmer was responsible for inflation and for high prices. You will recall that we did pass a bill and we directed the President to control prices as of the level that they were on September 15, 1942. But we went further than that. We went further than he asked us to go, because we also directed the President to fix wages and salaries based upon the level existing on September 15, 1942.

Now, what has happened since that time? Has the President carried out the direction that Congress gave him in that legislation? We know that he has not. We know that prices have gone up to some extent. We know that wages have gone up to a considerably greater extent than prices since that time. The figures have already been put into the record. You know what they are, I think, but just to refresh your recollection, let me call your attention to the fact that since September 1942 full-time hourly earnings in manufacturing industries have increased 8 percent.

The take-home pay—that is what counts when you are talking about inflation—has increased 11 percent. Total manufacturing pay rolls, including both salaries and wages, have increased 21 percent.

During the same period of time, the cost of living has advanced between 4 and 5 percent. So that there is nothing to the argument that we have heard here today and yesterday to the effect that it is necessary, if we do not pay subsidies and reduce food prices, to have an increase in wages. The big argument that was made by the President in his food message to Congress and that has been made by the proponents of subsidies on this floor has been that unless we reduce food prices we are going to have labor trouble and strikes and therefore that it is necessary for us to reduce and roll back food prices.

I submit that anything we may do here in the way of subsidies is not going to have the least effect upon labor leaders when it comes to asking for increased wages. We know what happened in connection with the coal miners. We rolled back the butter price and the price of meat. We paid a milk subsidy. We are now paying subsidies at the rate of \$800,000,000 a year. Yet that has not prevented John L. Lewis from getting practically everything that he asked for. It is not going to prevent Phil Murray from getting an increase in wages which he

says he is going to get for the steel workers and others in the C. I. O.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. I yield.

Mr. HOLIFIELD. Is it not true that Mr. Murray and Mr. Green have been trying to "hold the line" and they have been discouraging strikes and they have been advocating that the unions stay where they are on wages, and it has only been recently because of the increase in the price of living that they are asking for more wages?

Mr. HOPE. Mr. Murray announced the other day that they were out to break the Little Steel formula.

Mr. HOLIFIELD. Certainly.

Mr. HOPE. The only excuse for it is that the cost of living has gone up between 4 and 5 percent since a year ago last September, while total earnings have gone up 21 percent.

Mr. HOLIFIELD. Will the gentleman yield?

Mr. HOPE. I am not going to yield to have the gentleman quote some other figures.

Mr. HOLIFIELD. I did not intend to quote any other figures, but I would like to know the basis of your figures; where you received those figures.

Mr. HOPE. From the Bureau of Labor Statistics.

Mr. MONRONEY. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. MONRONEY. Those figures you quoted, I understand, represent manufacturing, which is 15,000,000 out of a total employed force of 44,800,000.

Mr. HOPE. These are figures for the manufacturing industries, whose workers are represented by Mr. Murray. They are the only wages on which statistics are available.

Mr. HOLIFIELD. And not for the whole of labor?

Mr. HOPE. But the total income of this country has increased during this same time tremendously. Since 1939 it has doubled, and for 1943 it will be at least \$23,000,000 over 1942. That confirms what we all know from observation that almost everyone has shared in the increased income, and certainly there are few families in the country today whose income is not considerably greater than a year ago. Even where the head of the family has not had an increase, more members of the family are working and at better wages than ever before.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. POAGE. And if almost everybody has had an increase—although there may be a few throughout the country who have not had an increase—would it not be sound policy, following the suggestion that was made by the advocates of subsidy, simply to subsidize those who have had no increase rather than to subsidize everybody over the Nation in order to raise all prices?

Mr. HOPE. Certainly; I agree with the gentleman 100 percent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 6 additional minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. I wish to call the gentleman's attention to the fact that from September 15, 1942, to September 15, 1943, a good many of the food prices have gone down while on the other hand the increase in the index of the cost of living as submitted by the Bureau of Labor Statistics shows that permanent waves, for instance, for women have increased 32 percent; that the cost of living has increased 15 percent and that the largest increase has been in items which they do not propose to subsidize.

Mr. HOPE. That is true.

Mr. AUGUST H. ANDRESEN. While food costs have gone down except in fruits and vegetables.

Mr. HOPE. That is very true, food costs have declined in recent months. Now getting back to the question of what the administration has done during this time to "hold the line" and carry out the instructions that Congress gave to the President a year ago last September, let me point out that we have not only had the great increase given to coal miners; we have not only had the increases in manufacturing wages to which I have called attention, but the President himself has signed an order which has done more to bring about inflation than anything else—that was the order setting up the 48-hour week with time and a half for all time over 40 hours. That automatically gave a 30-percent increase in income to every working person in the country who had been working 40 hours or less prior to that time.

Mr. Chairman, I have too much confidence in their patriotism and the desire of the fine working people of this country to do their part toward winning the war to believe that we are going to have strikes and labor troubles because we are not going to pay consumer subsidies. I do not have so low an opinion of the fine patriotic working people of this country as to think that anything of that kind is going to happen, and I do not believe they will follow labor leadership in a program of that kind. I submit that if they will, that if they are of that mind, that a little subsidy program, which does not now mean more than \$6 or \$7 per capita to every man, woman, and child in the country, is not going to prevent strikes and labor troubles. We are not going to be able to head it off that easily.

Of course, if we go ahead with the subsidy program it does not mean that we are going to get off with a little program which would give \$6 or \$7 to each individual in the country. This program is going to expand, it is going to get bigger and bigger because when you start on a program of this kind you cannot stop on this commodity or that commodity, you have to continually expand it.

The announcement came out a day or so ago that we were going to subsidize

flour in order to keep down the price of bread. The price of bread has not gone up one-tenth of a cent in the last year; it is the cheapest food we have today. It is selling at less than the average price for the last 25 years. Wheat producers have never yet during this entire war period received parity for their wheat, and yet we are told that there must be a subsidy paid on flour in order to keep down the price of bread. Bread is selling for the same price today that it did in 1928; it is selling for less than it did in 1925, 1926, and 1927, and yet it is said that we must have a subsidy on flour in order to prevent inflation.

Mr. Chairman, the people I represent, I do not care whether they are farmers, working people, housewives, white-collar workers, or what, do not want subsidies. The people generally do not want them. The only ones urging them are certain labor leaders, who at the same time are announcing a new drive for higher wages. These labor leaders are out to get everything they can. They want cheaper food and higher wages. The sky is the limit with them, war or no war. The unconditional surrender of the President of the United States to the president of the United Mine Workers has put other labor leaders on the spot. They have got to show that they are just as good as John L. Lewis. If we have a bad break in the line as far as inflation is concerned it will come from the shameful surrender of the administration in the mine strike and not from any action which may be taken on subsidies. Let us not mislead ourselves on that.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. GWYNNE].

(Mr. GWYNNE asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. GWYNNE. Mr. Chairman, the proposal of the administration to continue the payment of consumers' subsidies should be decisively defeated. It raises a fundamental issue which should be resolved on the side of economy and good government. Of course, we do not object to the payment of a subsidy or incentive payment where necessary to increase production and where it can be demonstrated that it will have that effect.

The subsidies sought to be continued by the administration do not fall within that classification. They are purely payments made from the Federal Treasury for the purpose of reducing the cost of living to the consumer. They are uneconomical, unfair, unproductive, and detrimental to the best interests of the people.

The cost of the proposed program on a few chosen commodities is given at \$800,000,000. However, that would be only the beginning. To carry out the complete program as envisioned by some administration officials would require billions.

In spite of the large aggregate cost, the saving to any particular consumer would be small. For a person using 1 pound of butter a month, the amount of this subsidy would be 60 cents a year. A big

subsidy program would be very expensive to operate. It would require another vast horde of Government employees who might be better employed winning the war.

A general consumer subsidy would be unfair to the future taxpayers. The money paid in subsidies would be borrowed. It would become a part of the dangerously increasing national debt. Many people now have an income larger than before the war. There is no reason why their grocery bill should be passed on to future generations, many of whom may sometime have difficulty finding any kind of a job. It is true a certain percentage of the people have not had an increase in their annual income. The earnings of others have been actually reduced. If it is desired to aid this group, it could be done more equitably and economically by putting into operation a food-stamp plan.

One way to combat inflation to which the administration has not given sufficient consideration is to maintain production at a high level. Large crops have been raised this year. That, however, is due to the skill and energy of the Nation's producers, rather than to any constructive policy adopted by the Government. It should be remembered too that for the most part weather conditions in 1943 were favorable.

For some time the Members of Congress from the agricultural States have been urging that a single administrator of actual experience be put in charge of the entire job of producing, distributing, and rationing food. In that connection I wish to call attention to the importance of the State of Iowa in the food program. In 1942 Iowa sold livestock products of a total value of \$1,011,392,000, being the first State in the Union in that regard. The second State was Illinois, selling livestock products of a value of \$626,499,000. Although ranking sixteenth in population and twenty-third in the area of land, Iowa ranks first in value of corn, oats, hogs, horses, and poultry; first in value of farm lands and buildings; first in combined value of livestock; first in total value of farm property; first in farm land improved—95.6 percent; first in value of farm machinery.

Twenty-five percent of all grade 1 farm land in the United States is within the State of Iowa. One-tenth of the food products in the United States comes from the State of Iowa. Her grain products for 1942 totaled 863,353,000 bushels. This amount divided by Iowa's number of square miles—55,586—gives an average of 15,555 bushels per square mile. No other State begins to equal these figures.

I call attention to these figures only for the purpose of emphasizing the fact that if the necessary food is produced a lot of it must come from Iowa.

It is interesting to note what the farmers of Iowa think about this subsidy and roll-back program. In a poll taken recently in Hardin County 93 percent were opposed to the program. In Mitchell County 96 farmers opposed it and 19 favored it. When the question of parity price in the market place against part of

parity price plus a subsidy was voted on, the Mitchell County farmers favored a fair price in the market place and no subsidy by a vote of 103 to 9. On the question, "What are the greatest obstacles to food production?" the answers ranked as follows:

First. Government price policy too uncertain.

Second. Farm labor shortage.

Third. Shortage of farm machinery and equipment.

Fourth. Shortage of grain and other feeds.

Fifth. Farm prices too low.

I repeat, the greatest thing the Government can do to increase food production and to prevent inflation would be to appoint an experienced administrator with complete authority, and the greatest thing such an administrator could do would be to appoint on his staff several farmers from Iowa to whom the production of food is not merely a theory in a book.

Mr. BROWN of George. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. DOMENGEAUX].

Mr. DOMENGEAUX. Mr. Chairman, I would like to ask a question of the gentleman from Michigan [Mr. WOLCOTT] who I know has given much study to this question. In view of the fact that I have received a communication from Mr. Jones addressed to the chairman of the committee in which he states that the adoption of this legislation would probably result in jeopardizing the entire support program to producers while, on the other hand, the majority report states that producers subsidies will not be affected, would the gentleman care to make an explanation of that?

Mr. WOLCOTT. I understand that the War Food Administrator has said that he could not announce a sugar program during the pendency of this legislation because of the ambiguity of the legislation. I have seen a letter which he has written to a Member of Congress so stating. May I say that there is nothing in this pending legislation whatsoever that justifies the War Food Administrator in taking that attitude. As is stated in the majority report, "This section does not prohibit nor interfere with any operation of the Commodity Credit Corporation or any other agency of the Government with respect to producer subsidies, or loans authorized under existing law, including the Emergency Price Control Act of 1942, as amended, and supplemented by Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and it does not prohibit or interfere with support prices or use of Commodity Credit funds made available to the Commodity Credit Corporation by existing law, including section 4, Public Law 147, approved on July 1, 1941, as amended."

Assuming for the sake of argument that certain gentlemen are correct in their interpretation that this does interfere with the payment of producer subsidies, which, of course, is denied, this does not in any manner interfere with the operation of subsection (e) of section 2 of the Emergency Price Control Act of 1942.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 2 minutes to complete my answer.

Mr. Chairman, subsection (e) of section 2 of the Emergency Price Control Act of 1942 provides that—

Whenever the Administrator—

Meaning, of course, the Price Control Administrator—

determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereon.

That gives the Price Control Administrator the authority to pay subsidies to marginal high cost producers of any commodity to obtain the maximum amount of production. I cannot at the moment refer to the particular passage in the law but I believe there is a passage in the Price Control Act which says that the Price Control Act may be administered through any other agency than the Price Administrator upon a directive of the President assigning these duties to that other agency.

So, assuming that there is an ambiguity in this act, which I do not admit, the President could under the terms of the Price Control Act vest in the Commodity Credit Corporation or any other agency of the Government the power which now vests in the Price Control Administrator to pay subsidies to high cost domestic producers without interfering in any way whatsoever with the general price scale.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. DOMENGEAUX. In the opinion of the gentleman, then, the adoption of this legislation will in no way jeopardize the announced program for sugarcane and sugar beets for 1943 and 1944?

Mr. WOLCOTT. The only way it could possibly interfere with the sugar program would be in the manner in which the money is raised with which to encourage the expansion of production. That applies as well to the sugar cane program as to sugar beets.

Mr. PATMAN. Will the gentleman yield?

Mr. DOMENGEAUX. I yield to the gentleman from Texas.

Mr. PATMAN. I respect the opinion of the gentleman from Michigan always, but the gentleman who will enforce this law, the War Food Administrator, Mr. Jones, has given consideration to section 3 and he states that section 3 in its present form, if included in the bill, will prac-

tically destroy the support price program. Carrying forward the support price program will involve some losses.

Mr. WOLCOTT. Of course, it is perfectly absurd for the War Food Administrator to take that attitude or for his attorneys to give an opinion to that effect in view of the expressed mandate of section 3.

Mr. PATMAN. He is a mighty good lawyer himself.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield myself 7 minutes.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. BROWN of Georgia. Mr. Chairman, this bill contains four sections. Section 1 provides that an appraisal of the assets of the Commodity Credit Corporation shall be made annually on the 30th day of June instead of on the 1st day of January as heretofore, the 30th day of June being the last day of the fiscal year. The basis for the appraisal is cost at time of appraisal, or the average market price during the last month of the fiscal year, whichever is lower.

Section 2 extends the life of the Corporation to the 30th day of June 1945. Section 2 also provides for an audit of the capital-fund operations of the Corporation by the General Accounting Office annually.

Section 3 deals with subsidies, and is quite controversial. I shall refer to this later on.

Section 4 gives the Commodity Credit Corporation authority to sell perishable fruits and vegetables owned and controlled by it below cost when there is a likelihood of deterioration.

Sections 1, 2, and 4 are not controversial and are desirable to everyone.

Mr. Chairman, the vast sums of money provided the Army and Navy in the past few years have given us the best fed, the best clothed, and the best trained armed forces in the world. We are on the offensive in every theater and on all fronts. Our loyal, patriotic, and alert leaders and fighting forces are thinking of but one thing, and that is to win this war and win it as quickly as possible.

Our war front is almost perfect. No one dares to criticize our great leaders and our fighting boys. They have been so successful and their mistakes are so few that even the enemy is withdrawing and shortening its lines in every theater.

The home front is not what we desire. The American people generally are against regimentation, but we must realize that we cannot have the same freedom in business in time of war that we have in peacetime. We must realize that we will suffer hardships and will have to be denied many things that are essential to the war effort. We must be brought to the realization that security comes before prosperity.

The O. P. A. and W. P. B. have irritated a lot of people of this country by so much "red tape" and unnecessary regulations and ceilings, but no one desires inflation. The American people do not desire to see the purchasing power of

their dollar reduced in value to 25 cents, as it was following World War No. 1.

While the home front is not what it should be, let us take a look at the home front 10 years ago, when our merchants were going into bankruptcy all over the country, banks were breaking everywhere, industry was paralyzed, and farmers were piling up surplus after surplus and headed for financial ruin. Bread lines formed in every town and city of this great country, with thousands and thousands of men in the lines begging for bread. You know what is in the heart and mind of a father when he knows that his helpless wife and starving child are suffering for something to eat. Something had to be done and done then to save America. Do you know of anybody suffering for something to eat or something to wear today?

When Congress met in 1933 in this Chamber it was necessary, in order to save America, to pass some legislation to benefit all groups in every section of this great country. It is very difficult sometimes to pass a general law to foster the interests of certain sections of this country without crippling the struggling energies of other sections, so it was necessary to pass a series of laws to benefit all and save the country. Some of them worked well and some did not. Two of the most outstanding achievements ever passed by an American Congress were the law guaranteeing bank deposits and the law creating the Commodity Credit Corporation. The first law helped everybody. The banking law has restored the confidence of our people in the local lending institutions. That saved the people. Not a depositor has lost a dime in the banks of America since the year 1933.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield myself 5 additional minutes.

The Commodity Credit Corporation was organized to stabilize the prices of agricultural products. It came to the rescue of the American farmer at a time when he had no avenue of escape. In this fashion, it loaned to him money so that he could hold his surplus crops off the market and sell them in an orderly way. It has saved thousands and thousands of farms of this country.

The American farmer is appreciative of his Government coming to his rescue when he was helpless. He has shown his gratitude by paying in full these loans plus the interest. He has shown further appreciation when the great Government called upon him to produce, produce, and produce more crops to feed our armed forces and the civilian population by responding to this request wholeheartedly.

A few days ago the United States Department of Agriculture issued another chapter in the amazing war record of American farmers. It showed that despite the greatest difficulties—shortages of man and machine power, floods in the spring and drought in midsummer—despite these the farmers have produced this year another wartime record volume of crops and livestock—more than

3,000,000,000 bushels of corn and 1,500,000,000 bushels of other feed grains, more than 835,000,000 bushels of wheat, more than 230,000,000 bushels of soybeans, more than 2,600,000,000 pounds of peanuts. The farmers produced this year more than 118,000,000,000 pounds of milk, more than 4,500,000,000 dozens of eggs, more than 125,000,000 hogs, and they marketed the largest number of cattle in the Nation's history.

This record production of food surpasses that of last year, which itself was a record. The basis for this war production lies, to some extent, in nearly 10 years of agricultural adjustment programs designed to bring order out of chaos which had previously existed in our agricultural economy.

Commodity Credit Corporation has been in the forefront of these developments and achievements during the last 10 years. This corporation was organized in 1933, at a time when the national economy was burdened with great surpluses of farm products. The prices the farmers were getting for their crops and livestock were at bankruptcy levels. The gross farm income in 1932 was less than \$6,000,000,000. This was the smallest for which the Department of Agriculture has any records running back to 1910. In the following year—in 1933—the gross farm income increased to nearly \$7,000,000,000; but by 1937 the gross income had increased to more than \$11,000,000,000. Last year it was more than \$18,000,000,000.

During all of this period of economic improvement, the Commodity Credit Corporation was actively engaged in making loans to farmers on their surplus crops of cotton, corn, wheat, and tobacco—helping to support the prices of these commodities by lessening the burden of supplies upon the markets. The large quantity of corn—nearly 300,000,000 bushels—put under loan in 1933-34 was an invaluable reservoir of supplies needed during the drought years of 1934 and 1936. In 1933 and 1934 more than 6,500,000 bales of cotton were put under loan—action which importantly relieved the markets of the heavy weight of cotton surpluses. Large quantities of dark tobacco were also put under loan during this period.

These loan programs were really the beginning of our modern ever-normal granary designed to accumulate surpluses of food, feed, and fibers during years of excess production for use in later years when weather and other conditions should reduce the production below current needs.

The Commodity Credit Corporation was authorized to make loans on all agricultural commodities, but the Corporation was specifically directed to offer loans on wheat, corn, and cotton to producers cooperating in adjustment and conservation programs when supplies of these commodities should rise above or prices fall below specified levels, the rate of loan to be between 52 and 75 percent of the parity price of the product.

In 1941 the Secretary of Agriculture was directed by Congress to make loans on 1941 crops of the five basic commodi-

ties—cotton, corn, wheat, tobacco, and rice—at 85 percent of parity to producers. Peanuts were later added as a basic commodity, and the authority to make loans at 85 percent of parity was extended through the crop year 1946. As for nonbasic crops, the Secretary was directed in separate legislation to support a price of not less than 85 percent of parity or a comparable price—whenever the Secretary of Agriculture should announce the need to increase the production of such commodities during the existing war emergency.

In October last year Congress increased the loan rates to 90 percent of parity unless the President should determine that loans on basic crops at rates previously fixed were necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war. Loan rates on cotton, tobacco, and rice were raised to 90 percent of parity and rates on corn and wheat were maintained at 85 percent of parity. The same law also provided for the making of loans by the Commodity Credit Corporation on basic crops for a period of 2 years after the war.

From 1933 through 1941 the Corporation had made approximately \$2,000,000,000 of loans to farmers on a long list of commodities which included feed grains, naval stores, bread grains, cotton, wool, peanuts and other products. Its realized losses through March 31, 1942, on this volume of business totaled a little more than \$21,000,000, or approximately 1 percent. As I have indicated, the gross farm income had been less than \$6,000,000,000 in 1932, the gross income in 1942 was more than \$18,000,000,000.

Until 2 years ago the Commodity Credit Corporation was engaged almost exclusively in making loans to farmers. But just as it has been necessary to convert our industrial plant to the making of munitions, it has been necessary to convert our agricultural plant to the production of commodities in quantity and in kind needed for the war against the Axis. As a part of the program to increase the production of feed, food, and fibers during this war period, the Department of Agriculture made a commitment to farmers that the prices of specified commodities would be supported by means of loans and purchases. The principal objective was to increase the production of vegetable oils, dairy products, poultry products, and meats.

Stimulated by the imperative war need for increased farm production and aided by exceptionally favorable weather for planting, cultivating and harvesting crops, our farmers produced and marketed in 1942 the greatest volume of agricultural products in the Nation's history. This large volume of production met the increasing military requirements here and abroad and made possible for civilians at home to have adequate nutrition. Loans to farmers totaled a little more than \$800,000,000 during 1942-43 fiscal year, as compared with \$626,000,000 in 1941-42. Loans to farmers during the past year were larger, principally because of the larger quantities of wheat and cotton put under loan,

and because of an increase in loan rates. Loans on corn were smaller than in 1942 since market prices were higher than the loan values. Other commodities on which the Corporation made loans during the last fiscal year included barley, fiber flax, flaxseed, grain sorghums, linseed oil, olive oil, rosin, soybeans, and turpentine.

In addition, the purchases of commodities by the Corporation totaled approximately \$2,700,000,000 as contrasted with less than \$1,000,000,000 the preceding year. About \$1,500,000,000 of these purchases were for lend-lease account, as compared with \$900,000,000 on this account in 1941-42. The remainder of purchases consisted principally of oil crops, tobacco, naval stores, cotton linters, wool, sugar, and other commodities. Large quantities of foreign-produced agricultural commodities were bought to supplement domestic supplies for civilians and war uses. These included coffee, sugar, tea, cocoa, flax, fats and oils, and other commodities to be brought into the United States or held in foreign countries under wartime control programs.

Corporation sales of commodities during 1942-43 totaled \$2,800,000,000 as compared with \$1,000,000,000 the preceding year. These sales included both domestic and foreign commodities which had been purchased for lend-lease account and for civilian and military uses. Large quantities of tobacco were sold in connection with a program designed to maintain the foreign market for United States tobacco. Considerable cotton the Corporation had acquired under nonrecourse provisions of loans to farmers during preceding years was sold without loss for lend-lease account. A large tonnage of wheat and corn similarly acquired was sold below cost to stimulate the wartime production of meats, milk, and eggs. Substantial quantities of wheat and corn were sold for the manufacture of industrial alcohol for war uses.

I have addressed the Congress upon several occasions in the past regarding the detailed operations of the Commodity Credit Corporation and the part it has played in helping to improve the economic situation of our farmers; of the stabilizing effect of the loan programs on cotton, corn, wheat, tobacco, and other commodities; and of the resultant benefits to producers. Since 1933, the Corporation has lent farmers more than \$3,500,000,000. Most of this sum has been repaid with interest, the remainder being represented by commodities turned over to the Corporation in satisfaction of loans.

The loans to cotton growers alone during this period have totaled nearly \$1,500,000,000, of which only \$230,000,000 was outstanding on June 30 last. The loans to the wheat growers totaled more than \$1,000,000,000 of which only one hundred and sixty-one million was outstanding on June 30. The loans to producers of corn totaled \$668,000,000, of which only sixty-seven million was outstanding on June 30, and practically all of which has been paid off by now.

Of the total of more than \$3,500,000,000 for all commodities, only four hundred and eighty million was outstanding on June 30, but, of course, this sum will now increase as the 1943 crops go under loan at the 85 and 90 percent of parity as prescribed by Congress.

Several years ago when we had up a bill in this Chamber to extend the life of the Commodity Credit Corporation, quite an attack was made on loans to the cotton farmer. At that time the Corporation had a loss of nearly \$200,000,000 on cotton, and no loss then on corn or wheat. I remember then making the statement on this floor that cotton did not deteriorate, that in the course of a few years the Government, instead of losing on cotton, would make a profit. Since then on Government-owned cotton sold by the Corporation, the Corporation realized a profit of \$50,000,000; and, at the present price, on the 3,200,000 bales of cotton to which the Government has title, the Commodity Credit Corporation now has a profit of approximately \$30 a bale or \$96,000,000 if the cotton were sold today. The total profit on the cotton sold by the Corporation and on the present Government-owned cotton amounts to approximately \$146,000,000. The Government has lost on corn and wheat in the last couple of years.

The Corporation is buying and selling a large part of the soybean crop, and all of the record crop of peanuts produced this year. Part of the peanut crop is being sold at a loss to the processors of vegetable oils, and part at a profit to the sellers of peanuts used in the manufacture of other edible products. The Corporation is buying this season more than 300,000,000 pounds of tobacco for sale to Great Britain, a continuance of the program to maintain the foreign market for United States tobacco. It has bought a large part of the 1943 wool clip—more than 200,000,000 pounds—for sale at prices designed to maintain the production of wool.

Since July 1 of this year the Corporation has sold more than 160,000,000 bushels of feed wheat at prices designed to maintain the production of dairy and poultry products at high wartime levels. It is importing feed grains from Canada and Argentina to supplement the diminished feed supply for livestock feeding. It is importing both vegetable and animal high-protein byproduct feed for livestock production. It is importing fats and oils to supplement our own production of these commodities and to make possible increased exports to our allies.

In 1942 the gross farm income for all agricultural products totaled \$18,628,000,000, as contrasted with thirteen billion eight hundred and forty-eight million in 1941. But this year—largely because of the price-support programs of the War Food Administration—the gross will be approximately \$22,000,000,000.

Last Thursday the Nation celebrated Armistice Day by working in the munitions plants, the shipyards, and the airplane factories turning out the implements needed to end this war and produce another Armistice Day later on. It was altogether fitting, I believe, that the War Food Administrator, Marvin Jones,

should also announce on Armistice Day the production goals which farmers reported they would strive to reach in 1944. These goals add up to 380,000,000 acres of crops, as contrasted with 364,000,000 acres in 1943 and with 354,000,000 in 1942. Increases were indicated in acreages of food and feed grains above the acreages planted this year, in oil and fiber crops, in sugar crops, in vegetables, and in other crops such as dried beans, dried peas, and tobacco.

On top of the splendid record they have made this year, our farmers are eager to produce in 1944 a still larger volume of food, feed, and fibers. I believe it unfortunate, therefore, that the War Food Administrator has been unable to announce the price levels at which the various agricultural products will be supported in 1944. Of course, the loan programs are mandatory, but there are necessities beyond the loan programs if the 1944 production goals are to be achieved.

These necessities include the financing and handling of the commodities for which price supports must be established at higher levels than in 1943 in order to offset the increased cost of farm production. Farmers look to the Commodity Credit Corporation for this protection, as they have come to respect and depend upon that agency through the years of recovery from the depression of the early 1930's, and as they do now in this time of war emergency. The uncertainty that now surrounds the continuance of the Commodity Credit Corporation already is having a hampering effect upon our war-food production program. It is incumbent upon us to remove that uncertainty—to assure farmers that they will have the fullest measure of physical and economic assistance from both the legislative and administrative branches of the Government. With this assurance, and if they can get more labor and the machine power and other physical equipment needed to do the job, our farmers will set a new high mark of achievement in 1944.

Mr. Chairman, it is both necessary and desirable to continue support prices to aid the farmer so that he can obtain sufficient production to feed our great armed forces and our civilian people. Subsidies to roll back prices are uneconomical, and somewhat inflationary. Such subsidies do not bring about more production. Abundant production with reasonable prices is anti-inflationary in character.

This bill does away with such types of subsidies but it gives the right to extend the support prices so the farmer can produce to save America and the Allies. It also does not interfere with the loan features under existing law.

I shall support this bill. Section 3 is the only controversial section in the bill, but regardless of what becomes of section 3 I want the life of the Commodity Credit Corporation extended beyond December 31 of this year. To do away with the only vehicle which came to the rescue of the great farming class of this country would be detrimental to three-fourths of our farmers who feed us all.

Mr. Chairman, a great deal has been said about the exceptions that have been made in the case of domestic vegetable oils in section 3. I have this to say. It is necessary to have price supports on oilseeds in order to obtain the necessary production. In the case of peanuts, for example, this was an edible crop before the war. The sudden shortage of fats and oils made it necessary to expand the peanut crop for oil purposes. This commodity is an extremely high-cost source of oil. Consequently, it could not compete with other fats and oils without a type of subsidy. It is contended that the only alternative was to permit competing oils to advance to the peanut-cost level which would have entailed a much greater cost than the subsidy.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I do not want the American people to be misled by how much this type of subsidy will benefit the consumer. When you know that each consumer will be benefited by approximately 83 cents per month, it is very little aid.

Mr. Bowles, the O. P. A. Administrator, announced that if this bill passed milk would go up 1 cent a quart. Now, how much would that cost the consumers? Based on the estimate—that an individual uses only 15 quarts of milk per month, this cost would be 15 cents a month to a consumer. Is that a heavy burden on anyone? Now, the main thing at issue, and let us be frank about it, is whether the consumers shall pay the entire cost of their food bill out of their current incomes in the form of slightly higher prices amounting to 83 cents monthly per capita for some commodities, or whether part of the food bill is to be paid for with borrowed money and added to the public debt to be paid by our returning soldiers and their children. The issue is simple. The subsidies to the consumer so far amount to so little, 83 cents a month, and if Mr. Bowles has to increase the ceiling 1 cent a quart on milk, on 15 quarts, the average amount consumed by the average consumer per month, then his milk bill will be increased by only 15 cents.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield to the gentleman from Pennsylvania [Mr. WRIGHT] such time as he may desire.

Mr. WRIGHT. I wish to commend the gentleman who acted as Chairman in charge of the bill on this side for his extreme fairness in yielding and giving time to those who disagree with him to some extent on the subsidy question. I think the record should show his kindness and consideration in that respect.

Mr. PATMAN. I desire to make the same statement and agree with the gentleman from Pennsylvania [Mr. WRIGHT]. The gentleman in charge of the bill has been very fair and it is appreciated very much.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. ZIMMERMAN. In view of the statements made by the gentleman from Louisiana, the gentleman from Texas, and the gentleman from Michigan, as to the provisions in this bill to continue support prices for the production of food, it seems to me that that vital question ought to be fully discussed before we vote on this bill, because if we pass any legislation here, Mr. Chairman, that will prevent the War Food Administrator from producing the necessary food that this Nation is going to need, the American people will never forgive us and we will be held responsible. Therefore, I hope that this provision of the bill will be discussed and explained so that there will not be a question or doubt in the minds of any Member of the House. To me that is one of the most serious things that we have to consider, and so little has been said about it in this debate.

The bill is so written that you have to go back and refer to other provisions in other measures in order to find out just what powers the War Food Administrator has, and I say, Mr. Chairman, it seems to me that a lot of discussion has gone on here about matters that are not of grave consequence. But I say the production of food and the authority to produce it is something that the American people will hold the Members of this body responsible for if we make a mistake.

Mr. BROWN of Georgia. I yield myself 1 minute, Mr. Chairman.

I do not think there is any question about section 3 permitting the support prices to be carried on. I do not think any lawyer who reads that section carefully can doubt it. If there is any doubt we will correct it. Certainly we intended to continue support prices. I made the statement, and many members of the committee made the same statement, that section 3 of the bill continues support prices. Now, if there is any doubt in your mind, read the majority report on this section. It is as clear as it can be to me. If it does not carry out the theory of extending support prices for farmers to produce war crops, it must do so.

Mr. WOLCOTT. Will the gentleman yield?

Mr. BROWN of Georgia. Yes.

Mr. WOLCOTT. May I observe further in that respect that it might be a coincidence, but it just so happens that although we do not claim and nobody claims at the present moment, because the program has not proceeded far enough, perhaps, the payment of subsidies has caused a curtailment in the production of those commodities upon which consumer subsidies have been paid, it is self-evident from all of the information which has been presented to us that it has in no manner increased the production of those commodities upon which consumer subsidies are paid.

Mr. PATMAN. Will the gentleman yield?

Mr. BROWN of Georgia. Yes.

Mr. PATMAN. This is so important that I think a lot of the Members, like the gentleman from Missouri [Mr. ZIMMERMAN], are also honestly trying to find out what the situation is. I think we can take the language of section 3 itself

and very quickly discover. I concede in the first part of section 3 it says, "no losses shall be absorbed except on programs that are announced before October 13, 1943," and lots of programs were announced before that time. But it specifically says where they are even announced before October 13, that they shall expire December 31, 1943. Now, this other proviso which I think the gentleman refers to, has this limitation on it. It is a major limitation, that the support price cannot be any higher than the maximum price; or I will say it in another way, in the way that the bill says, "that the maximum price must be as high as the support price." Now, does that mean in order for the Administrator to have proper support prices he has got to go and see the Office of Price Administration and get them to agree to raise the maximum prices, or will it automatically force the War Food Administrator to raise all prices in order to have a support price, say, in one section where it is a high-cost area? I think it is a very material and important point and I hope that time is given to clear it up.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. ZIMMERMAN. The reason I am raising the point at this time is I have great respect for the legal ability and the splendid judgment of my colleague, the gentleman from Michigan [Mr. Wolcott]. Likewise, I have high respect for the legal ability and for the judgment of the War Food Administrator, Judge Jones, who is known to this body. When gentlemen with the learning and ability of the gentleman from Michigan [Mr. Wolcott] and Judge Jones differ on this very important and vital subject, it seems to me that we should proceed cautiously until we settle, if possible, this highly important issue.

Mr. PATMAN. Would the gentleman from Michigan [Mr. Wolcott] be willing to accept an amendment that will make plain what he said on the floor in regard to this question, in plain language, without reference to any laws?

Mr. WOLCOTT. I would want to see the amendment.

Mr. PATMAN. I mean, it will make it clearer.

Mr. WOLCOTT. I have been offered by the War Food Administration, a so-called clarifying amendment, which would nullify the clear intent of Congress with respect to section 3. So the gentleman will pardon me if I do not accept any pigs in pokes.

Mr. PATMAN. No. I am asking the gentleman to write the amendment like his speech reads. In other words, take a part of his speech.

Mr. WOLCOTT. I think the language of the amendment is just about as clear as it can be made. I have no objection whatsoever and I do not think anyone else on the committee or in this House should have any objection to any amendment which will clarify any ambiguities in the bill. I have had this sugar proposition put up to me, as well as several others. I think the sugar men are very well satisfied now that there is no prohibition in here against any sugar pro-

gram. When you start clarifying more or less general statements to meet specific problems, then the gentleman knows as well as I do what happens. We are legislating policies, not particular, specific questions. We are trying to lay out a wise policy, and we have to rely upon judicious and courageous administration of these laws. We cannot administer them, of course.

Judge Jones is a good lawyer, a splendid gentleman, an honest, patriotic citizen, and public servant. He knows as a lawyer and a judge, that he can readily determine the intent of Congress by reading what all courts read when they are confronted with a question of legislative intent, namely, the committee report. If Judge Jones will read the committee report, it perhaps is made more definite in the committee report than it is in the language itself, that we intend in no manner whatsoever to interfere with any of the legitimate programs of the Commodity Credit Corporation or of the other agencies of the Government which have to do with the production, processing, and distribution of food.

Mr. PATMAN. Will the gentleman yield?

Mr. WOLCOTT. Yes, I yield.

Mr. PATMAN. The gentleman is a good lawyer and I know it and I do not believe he will contend that the interpretation placed upon this bill by the committee or any of the members of the committee will be used as a basis for the decision of a court, if it contradicts the plain, unmistakable language in the amendment or section.

Mr. WOLCOTT. I may say to the gentleman that unless there is specific contradictory language in the act itself, the courts are bound to accept the interpretation of the Committee Report. I say that the language of the bill, although in general terms, establishing a general policy, is not contradictory to that. In fact, the Committee Report substantiates the bill.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolcott] has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Holfield].

Mr. HOLFIELD. Mr. Chairman, I have listened with a great deal of interest to the debate on this subject yesterday and today. Last night I listened to the gentleman from Washington [Mr. Horan] on the radio. He made a fine, statesmanlike speech, and I want to commend him for it. I also listened to the gentleman from New Mexico [Mr. Anderson] today in his able presentation. Like Agrippa said, "Almost thou persuadest me to be a Christian."

The charge has been made that subsidies are un-American. That charge has been fully and completely answered by numerous speakers. Subsidies are part and parcel of our American economic history. Every tariff law passed has been for the subsidization of some segment of American business. Every land grant or franchise to an individual or corporation by the Government has been in effect a subsidy. Every crop or farm loan at lower than customary pri-

vate interest rate has been a subsidy at the taxpayer's expense.

Every Defense Plant Corporation loan to American business for the purpose of plant expansion, which included rapid amortization clauses or lower-than-usual interest rate is a subsidy. And when the war is over, every readjustment of contract or plant indebtedness will be a further subsidy to private business at the expense of the American taxpayer. So the charge that subsidies are un-American is fallacious, the charge is untrue.

The charge is made for the purpose of dragging the red herring across the trail and confusing the American people. Those who make this charge may succeed in confusing the people now, but when the price of living advances 10, 15, or even 25 percent during 1944, they will not face a confused people. They will face an enraged people.

If the price of living goes up 10 percent in 1944 it will cost the people of the United States \$15,000,000,000. Is there a man in this Congress who will deny that we face a 10 percent rise in the cost of living if price control is sabotaged? You cannot have price control without subsidies for below-cost producers and you cannot keep the price of living down without price control. The expense of \$800,000,000 in subsidies will provide the farmer a fair price for his products.

No one will deny that farm income has risen 196 percent since 1939. In comparison nonfarm income has risen 90 percent. The wartime rise in net income of farmers is not confined to any one type of farmer, but extends to all types as a careful study by the Bureau of Agricultural Economics shows. In 1939 the farmers received \$4,668,000,000 for their products, and it is estimated by the Bureau of Agricultural Economics that they will receive over \$12,000,000,000 this year. These prices are stable in comparison with the price of wages. If we destroy stabilization and lay the groundwork for a severe inflation, the farmers will be the chief ones to suffer as they were in 1921 and 1922. The mortgage companies will recapture the land and we will again burn corn and wheat for fuel instead of coal. Who is it then that opposes the use of subsidies?

There are two groups in this Congress who oppose subsidies. The first and smaller group is composed of those who are yielding to the pressure of professional farm organization leaders who claim to represent the best interests of the rank and file of American farmers. I do not believe they properly represent the best interests of the rank and file of the American farmers, because an attack on stabilization will in the long run hurt the farmers the most. An attack on subsidies now will be used in the post-war era as a precedent to deny the farmer fair prices. The argument today is to return to the law of supply and demand. Obviously this argument is based on the extraordinary demand for farm products during this war emergency. If you eliminate price control during these times for agricultural commodities, how can you depart from the

law of supply and demand when these same commodities become surpluses in the post-war era?

The second group who oppose subsidies, I am convinced, are opposing them strictly from a political standpoint. The fact that the Republican Party is voting as a bloc on this issue is ample proof that this is a partisan stand. Let us Democrats be realistic about this matter. What does the Republican Party stand to gain by this attack upon price control?

A rise in the cost of living throughout our country will create great confusion and resentment in the minds of the average consumer, many of whom have not received an increase in their earning power. An increase in the cost of living will disrupt the present comparatively peaceful labor situation. The wage earners of this country will be forced to demand additional wages. Opposition to this demand will involve the workers in strikes. This will create confusion throughout the Nation and in the ensuing confusion the blame will be placed by the newspapers and radios, which are controlled by the Republican philosophy, on the Democratic Party.

I want to make it very plain that many of us realize the value politically to the Republican Party in their furtherance of this part of their plan to capture political control of the Nation, but I do want to appeal to my fellow Democrats to support the subsidy price control stabilization plan. It is the only way to prevent inflation. Remember this subsidy plan is not a plan advanced by theorists or economists. Insofar as it has been properly applied, it has worked in the past few months to arrest the heretofore rapidly rising cost of living. Congress has directed the Price Administrator, Chester Bowles, to replace the professors and economists with businessmen. This he has done. Thirty-eight out of the top forty-four executives in the O. P. A. have been drawn from the most representative businesses in America—men whose experience has been with nationally-known firms such as Armour & Co., great department stores such as Macy's and Wanamakers, men who have had years of food experience with General Foods, Inc., and so forth. These men all agree that subsidies are necessary to control the price of living. They look upon this method as the only way to stabilize the fact-yielding line. When you vote against subsidies you are not voting against theorists. You are voting against the cold analytical conclusions of representative businessmen from the largest business firms in America. An investment of \$800,000,000 is a good businessman's bargain, as Chester Bowles recently said. It will prevent at this time a 10 percent rise in the cost of living which will cost the American people \$15,000,000,000.

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. DILWEG].

Mr. DILWEG. Mr. Chairman, I should like to have the gentleman from Michi-

gan answer the question propounded by the gentleman from Texas [Mr. PATMAN] when he asked him whether or not the support price paid to a part of a general field would affect the maximum price of the entire field?

Mr. WOLCOTT. With respect to sugar?

Mr. DILWEG. Yes; I think that is a good example.

Mr. WOLCOTT. All right; let us take sugar. I do not want to get into a confusion of figures, but I understand that the sugar produced domestically in continental United States amounts to 29 percent of the sugar we consume and that this is divided 26 percent beet sugar and 3 percent cane sugar.

Under the O. P. A. Act, even if all of these other acts were negated by this law, the O. P. A. Administrator could pay the domestic producers of sugar, whether it be cane or beet, the half cent or the cent which might be considered necessary to get the maximum amount of production without having to pay that half cent or cent to the 71 percent of off-shore sugar; so we have not seen fit to answer specifically the gentleman from Texas in the exaggerated claim he made of the millions and millions it would cost in the sugar bill of the Nation. It could not cost any more than a half cent or cent a pound on the amount of sugar produced domestically.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 1 minute.

Mr. DILWEG. Is not that a matter of interpretation of law? Is that the gentleman's interpretation of that law?

Mr. WOLCOTT. Yes.

Mr. DILWEG. Then how does the gentleman account for the fact that the law does propose this: That support prices shall continue to be announced and so forth—and states:

Any maximum prices heretofore or hereunder established for such commodity shall not be below the support price therefor.

Mr. WOLCOTT. Does the gentleman believe that this bill repeals the Price Control Act?

Mr. DILWEG. I am asking the gentleman from Michigan.

Mr. WOLCOTT. I do not believe this bill repeals the Price Control Act. I believe that if the domestic producers of sugar are actually high-cost marginal producers, then the O. P. A. has the authority to subsidize them just as they have the authority to subsidize high-cost marginal domestic producers of copper or any other material.

Mr. DILWEG. But in the main that becomes a consumer subsidy, does it not?

Mr. WOLCOTT. Not in any part.

Mr. DILWEG. I claim that it is.

Mr. WOLCOTT. No; it is a subsidy for the purpose of obtaining the maximum amount of production which we have set up in at least two different laws.

Mr. DILWEG. And it does not increase the cost of the article to the consumer.

Mr. WOLCOTT. No; it does not because you keep your general price down. It is the same as when you pay a subsidy of 4 or 7 cents a pound on copper to

open up the high cost marginal producer mines; the subsidy is paid for the purpose of obtaining the maximum amount of production of copper; and sugar in this particular case is in the same position as copper under the Price Control Act.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. We have been over this before, have we not?

Mr. MONRONEY. I was going to ask about another item, that is all.

Mr. MILLER of Connecticut. Mr. Chairman, I ask unanimous consent to extend my own remarks in the Record at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I agree with my colleague from Michigan [Mr. Wolcott] that the principle involved in this legislation is the most fundamental involved in any legislation we have considered for a great many years. I expect to vote for H. R. 3477, as approved by the House Banking and Currency Committee, but I want the Record to show just why I am voting against consumer subsidies.

When this proposal was before the House last June, I voted against the subsidy provision and later voted to sustain the President's veto. I may have misinterpreted the subsidy section but I concluded, at that time, that in view of the circumstances that then existed, the prohibition against consumer subsidies went too far. I had previously and, in fact, on several occasions expressed my opposition to consumer subsidies. However, at that time it was generally known that Congress was about to recess for 2 months. I did not feel then that I wanted to bar all consumer subsidies inasmuch as Congress was not going to be in session for some time.

Today the situation is different. The President has known for months that an overwhelming majority of Members of the House and Senate are opposed to the payment of consumer subsidies. No one can deny that we have the right—in fact, we have the duty to prohibit consumer subsidies. During the summer I spent 6 weeks at home talking to from 50 to 80 people each day. With the exception of C. I. O. delegations, no one with whom I talked urged consumer subsidies. Time after time, committees representing various locals of the C. I. O., would urge me to vote for consumer subsidies but many, many times, after a discussion of the question, they would admit that personally, they did not approve of the program but they were carrying out instructions from their national headquarters.

I have spent more time reading, studying, and listening to speeches on this subject than any other subject considered by Congress since I have been here. Every one of us knows that there is nothing new in this consumer subsidy program. It has been tried time and time again. The Caesars experimented with consumer subsidies and, in spite of the strength of the Roman Empire, it was a subsidy program that, in a large way, wrecked that great empire.

I am absolutely convinced that the adoption of this legislation, thereby preventing the payment of consumer subsidy, is not a departure from the Price Control Act. It is true we ordered the President to hold prices at the September 1942 level. It has not been done, even with subsidies. Congress knew when it adopted the Price Control Act that there would have to be adjustments, both up and down, in the prices existing in September 1942. No effort had been made to determine whether or not the September 1942 prices were economically sound. As proof of that fact, Congress recognized the necessity of flexibility, and I quote a brief provision from the Emergency Price Control Act:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs.

Prices can even now be adjusted downward in some cases without the payment of subsidies. If you doubt this, I call your attention to Mr. Vinson's order, which appeared in last night's Washington paper, ordering a reduction of 25 percent in the price of citrus fruits. Our colleague the gentleman from Texas [Mr. PATMAN] has referred to every farm-relief payment as a subsidy. Certainly roll-back consumer subsidies are not being proposed as a relief measure. Not when a millionaire can get 5 cents out of the Federal Treasury for every pound of sirloin steak he buys—if he can find the sirloin. How can anyone argue that it is not inflationary to take a maximum of \$800,000,000 out of the Federal Treasury and use it to pay part of the grocery bill of every consumer in the United States?

It has been said that the adoption of this bill means uncontrolled inflation, upward spiraling prices, and so forth. I ask in all seriousness, How come? Do those who advance that argument mean to imply that this administration will take a dog-in-the-manger attitude, and take off all price control, thereby permitting prices to soar, simply because Congress, in its wisdom, decided to forbid the payment of consumer subsidies? Will anyone contend that the announced consumer subsidy of a few cents a pound on meat and butter means the difference between stabilization and uncontrolled inflation? I do not think so. This Government spent millions of dollars over a short period of years, trying to increase the price of farm commodities, by even more than the few cents involved in this legislation, and no one feared uncontrolled inflation at that time.

I realize there are many people living on fixed incomes or working for salaries in nonwar industries who have had no increase in income since 1939. It is our duty to consider their situation, especially when we take up the tax bill next week. But they are not the ones who

are clamoring for consumer subsidies. The ones I hear from, who want part of their grocery bill paid from the Federal Treasury, are those who are making more money than they have made since 1918. How are the Members of this House who vote for consumer subsidies going to look the returning soldier and sailor in the eye, after these servicemen have found out that you and I, with our \$10,000-a-year salary, have voted to take \$6.32 out of the Federal Treasury for each member of our family and left these returning servicemen with a debt of \$19 that they must pay over a period of years for each \$6.32 we have voted ourselves? How will the man now working on the production line of this Nation look his son, brother, or friend in the eye, under such circumstances? In closing, I submit that consumer subsidies are un-American, inflationary, and a threat to the future security of this Nation.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am not going to thank the Republicans and I am not going to thank the Democrats for the confused and miserable situation in which this Nation finds itself. If I had to thank anyone I would have to thank the gentleman from Texas [Mr. PATMAN] and his party, because they are in the majority. The administration is in their hands and the responsibility, be that good or bad, is theirs primarily.

I repeat, however, that after we are elected as Members of Congress we should forget that we are either Republicans or Democrats. Just plain citizens cooperating and working together for the best interests of our Nation. We have made blunders enough. Let us not make more. We have permitted a few alphabetical set-ups to all but wreck the Nation's food supply. To correct these blunders is our duty and our responsibility not as Democrats and not as Republicans but as Members of Congress—citizens of the greatest Nation on the face of the earth.

We are traveling a dangerous road—the road of subsidies. Subsidies mean national decay. When the Roman Empire was on its last leg, its rulers gave subsidies to prolong their reckless rule. Is it possible that the bureaucracy is also on its last leg? Is it attempting to continue its inglorious rule of waste by giving subsidies? Subsidies are a fraud and a deception. They would put millions on the public teat that has already been sucked dry to the extent of over \$150,000,000,000—the public debt.

Subsidies are based upon the theory that you can tax yourselves into cheaper living. Only the unthinking believe that they can pull themselves up by their own bootstraps. Subsidies are a delusion because if we pay them out of present taxation, then, for every 50 cents we receive we will have to tax ourselves \$1. The other 50 cents will go to the pay-rollers—the pie counter brigade—that dish them out to us.

Since we are already over \$150,000,000,000 in debt, subsidies will have to be paid out of additional borrowed money.

They will have to be paid in addition to the expense of distribution together with interest. They will have to be paid out of taxes collected during the war and when the war is over.

They will have to be collected from those of us who live on a subsistent wage or income. We will have to draw in our belts a few notches further than the 20 percent withholding tax. We are being taxed all we can stand. Why should we be foolish enough to collect additional millions for the pie counter brigade that ride on our backs. These parasites must be eliminated. We must use drastic measures to remove them—lysol if need be.

But since we cannot pay these subsidies out of present taxation then when our sons return from the victorious battlefields they will be compelled to help pay our board bill. I appeal to every father and mother who has a son in the armed forces, to every brother and sister of the boys in uniform to register a protest to such a cowardly, dishonorable, and contemptible attempt on the part of the stayers at home—an attempt to fasten their board bill not only on the soldiers when they return but on the unborn millions.

The farmer cannot be fooled. He knows that when the subsidy went into force on butter he was rolled back 4 cents a pound. Again when the subsidy went into effect on beef the rancher was rolled back 4 cents a pound. He lost \$56 on every steer. Who got the subsidies—let the O. P. A. answer. Most of it went to the pie-counter brigade—to the immatured from New York in the O. P. A. The consumer and the producer were rolled back. The pay-roller and the processor got most of the subsidies.

If we grant the major premise of those who argue in favor of subsidies then they have a logical argument. But their major premise is false. It is untrue. The fact is we are not going to have inflation. We have inflation. Let that sink deep into your conscience. There is no honesty in saying that subsidies will prevent inflation. How can they? You already have the disease.

Subsidies have nothing to do with inflation. Inflation has been caused by printing four times as much money as we ever had in circulation before. This money was given to the big concerns—the cost-plus contractors—and now we are trying to siphon it back from the little fellow via 20 percent withholding tax—via high cost of living. Thus with one hand we would hand the wage earners subsidies and with the other hand we would siphon them away. Ridiculous but tragic.

I repeat that inflation was brought about by the cost-plus contracts, brought about by contracts where Uncle Sam prints and furnishes all the money and materials and the contractors get the 10 percent plus. Of course, the bigger the cost the bigger the plus. In order to supply these cost-plus contractors with sufficient money, Uncle Sam just opened the printing presses. He printed about \$19,247,059,969 where before there never was over \$5,700,000,000. This additional \$14,000,000,000 was not equally

distributed. It was distributed to a few and now we want to siphon it back from the many.

Why talk about inflation? We have inflation. It has been brought about by the Federal Reserve banks opening the printing presses for the big boys—not for the farmers and the wage earners. The high cost of living is the result of inflation, not the cause. The cause of inflation is the cheapness of money, not the scarcity of commodities. Let us do some straight thinking and not deceive ourselves with dumbness. Scarcity of articles does not cause inflation. When there are crop failures there is not inflation. Even in famine countries there is no inflation. Inflation is caused by the Government printing too much money.

Some of those who today argued for subsidies, just a few days ago told us that the people had too much purchasing power. They were alarmed lest wages would increase and the workingmen be given more purchasing power. Yet today those same Members argue that there is not sufficient purchasing power, that you have to give the consumer subsidies. That argument is contradictory unless we assume that most of the consumers here under consideration are drones and not wage earners or workers.

The only way to stop inflation is for the President and the Federal Reserve banking system to stop printing money for the cost-plus contractors. Let them call in some of the surplus money they have issued. Some of the money subsidies they have given to the big boys. There is where inflation must be halted if you are going to halt it. Why should we cowardly argue all around the thing that needs correction and that needs watching? Inflation means just one thing. More money in circulation than is healthy for the people. Remember this money, however, has reached only a few. The rest of us are being deflated, not inflated.

Another factor in inflation is the \$150,000,000,000 of debts. Even the servicemen ask us whether Uncle Sam's bonds are safe. Whether they had not better buy something in place of saving the bonds. The people are getting suspicious of our ability to finance the whole world. The people are getting suspicious of our ability to lend-lease indefinitely. The time has come for an American program as well as a foreign policy. Charity still begins at home.

We have been challenged by the gentleman from Texas not only once but many times to offer a substitute for subsidies in order to bring about full agricultural production. I will give him a substitute. Pass H. R. 2475, the cost-of-production bill. Give to the farmer what it costs him to produce, and it will not be necessary to subsidize anybody.

Mr. GAVIN. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I know the gentleman comes from a great farming State. Does he not think if they would take the shackles off the American farmer, discriminate these restrictions and regulations that are strangling him to death,

and give him a fair price for his products, he would produce all the necessary food not only for civilian purposes, but for war purposes as well?

Does not the gentleman believe that price control has degenerated into profit control? The new philosophy of bureaucracy is production for use and not for profit. They have planned for months a plan of producer to consumer to eliminate the farmer, middle man, small businessman, and small producer. Do you not believe they intend to regiment the entire agricultural life of the Nation?

Mr. LEMKE. The gentleman is correct, and I am coming to that in a moment.

We have no business to expect the farmer to produce for less than it cost, and the farmer is on to the hypocritical scheme of subsidizing and regimenting him. He is through with that ignorance. He who can read ought to read the signs of the times. We have just had an election. That should be an eye-opener even to those who believe in subsidies—in pulling themselves up by their own boot straps.

I want to say to my Republican friends that the recent election was not a signal to them to go back to the dark ages, but was a signal to get rid of government by and through bureaucracy.

Again, I will offer another substitute. Abolish the O. P. A. and all the other alphabetical set-ups that are needlessly wasting manpower and energy, that are putting unnecessary hardships on the American people. Congress made a serious mistake when it surrendered that power to the executive department. Congress, if it had its eyes open, should have put a ceiling and floor on every commodity the day after Pearl Harbor. That ceiling and floor should have been the price that things were selling at on December 7.

Then, it should have appointed one committee, one alphabetical set-up in place of all the rest, to adjust any differentials that were necessary. Of course, Congress should have men of ability and experience on it, not a lot of immatured boys from New York and other large cities. That would have solved that problem and we would not find ourselves in the ridiculous situation we are in today. It may not be too late yet to do that.

I will give you an example of how the O. P. A. increased prices. It put a ceiling on raspberries. A large part of our raspberries are raised in Minnesota. The grower could not pick and get them harvested at the ceiling they put on them as one farmer testified before the Members of Congress that met in Minneapolis.

He had 18 acres of raspberries. When the O. P. A. fixed the ceiling of 18 cents a quart he plowed them under—the only thing he could do; and then the price went up to 90 cents a quart and you could not get them even at that.

Another case of O. P. A. bungling was in the case of potatoes. My farmers sold their potatoes at 80 cents a hundred early in the fall of 1942 and when the O. P. A. put a ceiling on them we paid \$10 a hundred here in Washington. This for potatoes that were not fit to eat.

These are just two instances out of hundreds in which the ignorance of the bureaucracy in these various alphabetical set-ups has all but wrecked agriculture and the Nation's food supply. Let us have the courage and the determination—not as Democrats and Republicans but just as plain citizens of the United States in Congress—to cooperate and correct the blunders. If this Nation is to live as a democracy we must do it. If we fail, ours will be the responsibility not as Republicans and Democrats but as the representatives of the people of the greatest Nation on the face of the earth.

(Mr. MAHON asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

(Mr. SAUTHOFF asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. SAUTHOFF. Mr. Chairman, at this late hour I do not want to indulge in a lot of repetition, but I do want to point out several things that have not been mentioned. Subsidies have been tried out in Britain and in Canada for some years. Yesterday the gentleman from Michigan [Mr. Wolcott] stated that subsidies beget subsidies. How true that has been in Britain. They started out in 1940 with a program over there of £55,000,000 a year on subsidies. This year it is up to £185,000,000 and still rising. Yet Britain's economy is managed much better than ours.

Let us take the case of Canada. Canada has been, in my judgment, very successful in administering this subsidy program. If you will look at the October 30, 1943, issue of the Foreign Commerce Weekly, which has a very informative article on this subject, you will find that in Canada only \$29,000,000 a year are used for subsidies on food, but their law is entirely different from that of Britain and the United States. Britain, as you know, has a Ministry of Food that has complete charge of all matters relating to food. We tried to get that in the United States, but we were not successful. Our law is the most haphazard of all these countries.

Canada takes both wage control and food control, puts them under the same head, interlocks them, and settles both at the same time.

That brings me back to the first price-control bill against which I voted, and I am proud of that vote today. I followed the lead of Mr. Bernard Baruch, who knew more about price control than anyone else in the United States. Mr. Baruch said that that price-control bill was no good and would not work, and his statement in that respect has certainly been verified by what has developed since then. Constant changes are being made, and statements are being made as to what is to be done to prevent inflation.

A lot has been said about inflation. I want to point out one thing that has not been stated. Let us say that we would take \$800,000,000 for consumer subsidies. It would be borrowed money,

as has been pointed out. Let us say that we paid it in 50 years. I think that is a violent assumption because in my opinion the national debt will not be paid in 50 years or a hundred years. But even conceding that it is paid in 50 years, at 2 percent that would mean that the taxpayer would have to pay \$1,600,000,000.

The thing I want to point out in addition to that is this: We sell our bonds usually to mature in let us say 10 years. That is quite a long stretch, but I will take that as an example. We sell this \$800,000,000 twice but you will have is-happens? If we follow exactly the same formula that has been followed in the past on bond sales, the banks will purchase 50 or 51 percent and they will put them up as collateral, currency will be issued against them, thus increasing the amount of currency in circulation.

In 10 years you will find that these banks, if they are still in existence, will buy 50 or 51 percent and again put it up as collateral and issue currency against it. So that in the course of 50 years you not only have to pay this \$800,000,000 twice but you will have issued \$3,200,000,000 of currency against it. The gentleman from Michigan [Mr. CRAWFORD], pointed out yesterday some interesting facts in regard to the two dimensions of currency, namely, volume and velocity. I want to add a little to what he said, and I agree with every statement he made.

I want to point out that while, as the gentleman from Michigan [Mr. CRAWFORD] stated, you had a turn-over of 67 times on the dollar back in 1929, we are in the position today that our deposit turn-over is 25 percent of normal. What does that mean?

It means that private money has gone into hiding, and the money that is in circulation is Government money or printing press money, because you cannot call it anything else. It is currency that is issued against the bonds that are being sold. So that there is this additional danger that the more Government money you put into the bloodstream of commerce the greater is the dilution of that bloodstream and the fewer red corpuscles you get in it. In other words, the more Government money that is put into circulation the less private money is in circulation.

If you advocate Government ownership, Government socialization, then I have no argument, but if you believe as I do in the ownership of private property and that private initiative is the greatest motive force back of progress, then you will agree with me that what we should do is take some of this money out of circulation and not put more in.

In that connection, may I add this. The gentleman from Texas [Mr. KLEBERG] made a very interesting speech on the floor of this House. There is much of it with which I agree. It was my unfortunate experience this summer in going through my district, where there are many cheese factories—we have 1,800 of them, or did have before the O. P. A. started working on them in the State of Wisconsin. As a result of O. P. A. regulations, slowly but surely these inde-

pendents are being liquidated. They are forced to sell to either Borden's or National Dairy, or else lease their plants to the same monopolies. As a result of this interference, we are finding in my State that these independent cheese makers are forced to turn over their plants and create a monopoly which will put them out of business eventually, and they know it.

We have the same difficulty with the canners. There are 35 canners in my district. They came down here in October 1942, and they came down here again and again and again. Many times I sat in with them, and we tried to get O. P. A. to set a price. Up to 3 weeks before they had to begin the pack this summer, O. P. A. refused to give them any price so they would know where they were at. The boys said to me, "What are we going to do?" I said to them, "To h— with the O. P. A.; turn out the food. We are going to need it." So they went out and turned out the food.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Texas.

Mr. KLEBERG. I should like to add to what my distinguished friend has said that on the day before yesterday I received a telegram from the canners that can 50 percent of the grapefruit and citrus products of this Nation. They still have not gotten the price which they have asked for during the entire period.

Mr. SAUTHOFF. I thank the gentleman for his observation.

It was my experience only recently to have down here for 1 month the president and manager of a large cooperative that deals in milk and milk products. They handle 60,000 pounds of milk a day. This plant was being tied up, a plant where \$30,000 worth of critical materials have been granted by the War Department so they can turn out additional cheese. They were being stopped because some young squirt that was not even dry behind the ears and had never tried a lawsuit in his life sat in the legal department and gave an interpretation to the regulation that no one agreed with and that, after 4 weeks of effort, the head of the department was simply forced to override.

To paraphrase a popular song of the present day, if some of the "pencil-packin' papas" would just lay their pencils down and let our folks go ahead and produce, we will get the food out, because our producers mean to get the food out, and they want to get it out.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In support of what the gentleman has said about promoting subsidies, I should like to read a few lines from a booklet entitled "British Wartime Price Restraining Subsidies":

Since the first payment of subsidies in December 1939 there have been five Budget messages, in each of which the Government could have announced their discontinuance.

Far from discontinuing them, however, the Government has several times expressed satisfaction with their operation, and, in fact, in April 1941 expressly elevated them to a principal instrument of Government policy.

This booklet was put out by the Division of Research, Office of Price Administration. As the gentleman has said, it shows that when you first promulgate a policy of this kind it grows and spreads and sinks its tentacles into the economy of the people.

Let me support the gentleman's statement further with this from the Comptroller of the Currency, dated October 30, 1943. On June 30, 1942, the 14,661 banks of this country owned \$30,000,000,000 worth of Government issues, while on June 30, 1943, the ownership had moved up to \$57,963,000,000, or six and one-half times the total capital accounts of all the banks in this country.

Mr. SAUTHOFF. I thank the gentleman. I appreciate what he has added and contributed to this discussion. Let me add this, that I received a letter from the Department of Agriculture and Markets of Wisconsin only a few days ago saying something will have to be done about O. P. A. regulations on milk and dairy products, because it is a serious danger of wiping out independence in that field and the creation of monopolies which our State has been fighting for some 40 years, to my knowledge. I have not wanted to take up so much time at this late hour, but these are matters that affect our economy and affect it seriously.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. I yield 2 more minutes to the gentleman from Wisconsin.

Mr. SAUTHOFF. If we do this: Create a board that will establish a parity between wages and farm products I will vote for it. But as long as we have this insincere and superficial effort being made to regulate the prices I cannot go along with it. You will recall that back in June 1943 I introduced an amendment calling on the departments not to put any roll-back or pay any subsidies on any food products until they had reached parity. That law, which went through this House by a vote of 229 to 106, has been utterly ignored and no attention paid to it. How long are we going to endure the creation of Executive directives and the taking from the properly constituted legislative body its right to function as a legislature? How long are we going to sit quietly by and permit somebody, whom we do not even know and cannot find, to tell us what the interpretation is of the laws that we have written?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, it was stated on the floor of the House yesterday that "there must be a little flexibility and that the line could not be held hard and fast."

I do not know of any person desiring inflation in the sense that we are led

to believe it may soon exist. I do know many who feel substandard situations should be adjusted wherever these substandard conditions may arise, whether labor, business, or agriculture is affected.

The yardstick used and the fatal period of our troubles, if we would believe our friends, dates from the period following the First World War.

On that basis, agriculture's position in opposing consumers' subsidies in which they do not participate is readily explainable. Their position is justified.

Following the other war corn sold in Illinois for \$2.10 per bushel. Today the ceiling does not exceed \$1.07. Just 50 percent of the so-called inflation. Do you blame the farmer for opposing consumers' subsidies on this basis?

Following the other war the floor price on wheat was \$2.20 per bushel and today wheat is selling for \$1.40. Does this constitute inflation? Do you blame the farmer on the price he gets for this crop today?

During the same period, cattle reached a peak of about \$23 per hundred and today they are \$15.75. Does this constitute inflation? I think not. The farmer evidently, from his protests, thinks the same.

It also seems permissible to remind the Members of this body that in 1937 or 1938 cattle reached the price of almost \$20 per hundred when we were not at war and no one was mentioning inflation. It could possibly have been caused by the American recognized theory of supply and demand causing this situation.

During the same period following the First World War hogs reached the price of \$21 or \$22 and today the War Food Administrator sent all Representatives in Congress a bulletin stating that every governmental power would be used to maintain the support price of \$13.75, Chicago basis. Does this differential even approach inflation on the very basis we are led to believe? Does this situation approach inflation in view of increased farm costs?

Do not blame the farmer because he is wiser and has had more actual experience than the planners.

Mr. ROLPH. Will the gentleman yield?

Mr. SIMPSON of Illinois. Yes.

Mr. ROLPH. I want to compliment the gentleman for his very interesting statement. The gentleman comes from a farming district and several speakers in this debate have stated a large segment of the farming population of this country is in favor of subsidies. Have you found any such condition in your district?

Mr. SIMPSON of Illinois. Not a one.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. JEFFREY] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. JEFFREY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. I ask unanimous consent that the gentleman from New York [Mr. EDWIN ARTHUR HALL] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. EDWIN ARTHUR HALL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman from South Dakota [Mr. CASE] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. CASE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KUNKEL] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. KUNKEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BROWN of Georgia. I yield 15 minutes to the gentleman from Pennsylvania [Mr. FURLONG].

Mr. FURLONG. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FURLONG. The proposed railroad wage scale, the wage raise, will not increase the cost of living—

Mr. WOLCOTT. Mr. Chairman, I rise to make a point of order and also to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I will make the point of order first and then make the parliamentary inquiry. I make the point of order that the gentleman is not talking on the bill. And I propound the parliamentary inquiry: Does the gentleman intend to talk on this bill in this Committee?

The CHAIRMAN. Of course, the Chair is unable to advise the gentleman from Michigan [Mr. WOLCOTT] what the gentleman from Pennsylvania [Mr. FURLONG] expects to talk on.

Mr. WOLCOTT. I might say that I understood the gentleman had some time under special orders.

The CHAIRMAN. All the Chair knows is that the gentleman in charge of the time on the majority side yielded to the gentleman from Pennsylvania.

Mr. BROWN of Georgia. Of course, I did not know the gentleman from Pennsylvania [Mr. FURLONG] had time under a special order. I do not think the gentleman wants to speak at this time if he has time under a special order.

Mr. FURLONG. Mr. Chairman, I will abide by whatever you say.

The CHAIRMAN. The gentleman is recognized for 15 minutes. Of course, under the rule, debate must be confined to the bill under consideration.

Mr. WOLCOTT. I ask the further parliamentary inquiry, Has the gentleman been granted a request to speak under special orders this evening?

Mr. FURLONG. Yes, sir.

The CHAIRMAN. If the gentleman does not intend to speak on the bill under consideration, it would probably be more appropriate for him to take his special order.

Mr. FURLONG. Thank you, sir.

The CHAIRMAN. The rule providing for the consideration of the pending bill provides that debate shall be confined to the bill.

Mr. FURLONG. Well, it concerned the bill, but not entirely so. It will concern what you are debating about today. I shall abide, however, by whatever you gentlemen decide.

Mr. WOLCOTT. I want the gentleman to understand I am not trying to take him off his feet. There were others who had special orders, and they asked me how the gentleman happened to be addressing the Committee at this time. I am sure the gentleman will appreciate the situation.

Mr. FURLONG. Whatever you decide to do, I will abide by it. What is your decision, Mr. Chairman?

The CHAIRMAN. Does the gentleman desire to wait for his special order?

Mr. FURLONG. Yes; whatever your decision is, thank you.

Mr. BROWN of Georgia. Mr. Chairman, the Clerk may read.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act approved March 8, 1933 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term "31st of March" where that term first appears therein and substituting in lieu thereof the term "30th of June," and by deleting from the second sentence thereof "on the basis of the cost, including not more than 1 year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of 12 months ending with March 31 of each year, whichever is less" and inserting in lieu thereof "on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower." The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and Mr. RAMSPECK, having assumed the chair as Speaker pro tempore, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3477, had come to no resolution thereon.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

(Issued November 24, 1943, for actions of Tuesday, November 23, 1943)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT; SUBSIDIES. Passed, 278-117, as reported H.R. 3477, the Commodity Credit bill. (For bill's provisions see Digest 155.)
Rejected amendments by Reps. Hall, N. Y., and Case, S. Dak., to direct CCC to release livestock and sheep feed for distribution in any area where there is a feed shortage (pp. 9977-85); by Rep. Monroney, Okla., 120-154, to provide \$750,000,000 for subsidy payments until Oct. 1, 1944 (pp. 9985-94); by Rep. Hays, Ark., 72-141, to direct CCC to release spoiled stocks "for livestock feed" (pp. 9994-95); by Rep. Kunkle, Pa., 90-143, to extend existing subsidies until Dec. 31, 1944 (pp. 9995-98); Rep. Robertson, Va., to "eliminate from section 3 ...the language relating to the use of subsidies to 'maintain' maximum prices" (pp. 9998-10000); by Rep. Ford, Calif., 34-147, to strike out the provision for subsidy payments for domestic fats and oils (p. 10000); by Rep. Patman, Tex., 102-173, to strike out all of Sec. 3 (pp. 10000-01); and Rep. O'Connor, Mont., 41-132, to direct the War Food Administrator to establish support prices for cattle and sheep sold for slaughter (p. 10002). An amendment by Rep. Herter, Mass., to authorize a food stamp plan was ruled out of order on a point raised by Rep. Brown, Ga. (p. 10003).
Rep. Fish, N.Y., criticized the dairy feed situation and inserted constituents' (pp. 9971-72). Rep. Boren, Okla., stated that the CCC "has defied the law" in its administration (pp. 9976-77). Reps. Cochran, Mo. (pp. 9961-62), Norton, N. J. (pp. 9962-63), Ford, Calif. (p. 9964), Diskstein, N. Y. (pp. 9966-68), and Flaunagan, Va. (pp. 9973-74) spoke in favor of subsidies. Reps. Taber N. Y. (pp. 9963-64), Gifford, Mass. (pp. 9963-64), Cole, N. Y. (pp. 9964-66), Baldwin, Md. (pp. 9968-69), Whittington, Miss. (pp. 9969-70), and Dondero, Mich. (pp. 9970-71) spoke against subsidies. Rep. Patman, Tex., inserted letters from Secs. Stimson and Knox, Donald Nelson, William H. Davis of the National War Board, J. B. Hutson, and William Green of the A F of L favoring subsidies (pp. 9988-90). Rep. Andresen, Minn., inserted a table showing the percent of change in the cost of goods and services between Sept. 15, 1942 and Sept. 15, 1943 (pp. 10006-07). Rep. Cochran, Mo., inserted a Brown Shoe Co. petition favoring subsidies (p. 10015).

2. PUERTO RICO. Insular Affairs Committee submitted a supplemental report on S.981 to assist in relieving economic distress in Puerto Rico, which had been reported without amendment (H.Rept. 310) (p. 10014).

3. POST-WAR PLANNING; SELECTIVE SERVICE. Received from the President a message favoring legislation to provide educational and training opportunities to veterans of this war (H.Doc. 361). To Military Affairs Committee (pp. 9960-61.)
4. PETROLEUM. Rep. Disney submitted a motion (signed by 218 members) to discharge the Banking and Currency Committee from further consideration of H. R. 2887, transferring certain functions of the Price Administrator, with respect to petroleum products, to the Petroleum Administrator for War (pp. 10013-14). The House can now vote upon this bill without preliminary committee action.

SENATE

5. ADJOURNED until Fri., Nov. 26 (p. 9956).

BILLS INTRODUCED

6. TAXATION. By Rep. Disney, Okla., H. R. 3712, to provide for the termination by the taxpayer of the period for amortization of emergency facilities. To Ways and Means Committee. (p. 10014.)
7. TRANSPORTATION; TAXATION. By Rep. Peterson, Fla., H.R. 3713, to amend Sec. 3475 (b) of the Internal Revenue Code, relating to the tax on the transportation of property. To Ways and Means Committee. (p. 10014.)
8. FARM LABOR. By Rep. Rolph, Calif., H.R. 3717, to amend Sec. 3 (a) of "joint resolution making an appropriation to assist in providing a supply and distribution of farm labor for the calendar year 1943." To Appropriations Committee. (p. 10014.)
9. POST-WAR PLANNING. By Rep. King, Calif., H.Con.Res. 58, to declare a governmental policy in relation to industrial readjustments during and after the present war. To Ways and Means Committee. (p. 10014.)

ITEMS IN APPENDIX

10. RUBBER. Extension of remarks of Rep. Stefan, Nebr., on rubber program and including a Railroad Trainman article, "Jeffers Suggests United States Manufacture of Tires" (pp. A5439-40).
11. LATIN AMERICA. Rep. Curtis, Nebr. inserted Sen. Butler's Reader's Digest article, "Our Deep Dark Secrets in Latin America" (pp. A5437-38).
12. DAIRY INDUSTRY. Rep. Herrow, N. H., inserted a letter from the New England Milk Producers' Association criticizing the administration of the dairy situation (pp. A5436-7).
13. REGULATION; ECONOMY; TAXATION; SUBSIDIES. Rep. Halleck, Ind., inserted a Lafayette (Ind.) C of C statement favoring payment of war costs from current income, termination of "all emergency-caused Government controls," and elimination of unnecessary Government bureaus and of subsidies (p. A5436).
14. HEALTH. Rep. Rankin, Miss., inserted Dr. Underwood's address favoring increased public health facilities (pp. A5377-78).
15. BANKING AND CURRENCY. Rep. Forand, R.I., inserted the third quarterly report of the Securities and Exchange Commission (pp. A5379-80).

1. To help service men and women tide over the difficult period of readjustment from military to civilian life, mustering-out pay will be needed. It will relieve them of anxiety while they seek private employment or make their personal plans for the future. I therefore recommend to the Congress that it enact legislation and provide funds for the payment of a uniform, reasonable mustering-out pay to all members of the armed forces upon their honorable discharge or transfer to inactive duty. This pay should not be in a lump sum but on a monthly installment basis.

2. We must anticipate, however, that some members of the armed forces may not be able to obtain employment within a reasonable time after their return to civil life. For them, unemployment allowances should be provided until they can reasonably be absorbed by private industry.

Members of the armed services are not now adequately covered by existing unemployment insurance laws of the States. It is estimated that approximately one-half of them will have no unemployment insurance protection at all when they leave military service. Benefits payable to those who are covered by State law are unequal, and will vary greatly among the States because of the wide differences in the provisions of the State laws. The protection in many cases will be inadequate. It is plainly a Federal responsibility to provide for the payment of adequate and equitable allowances to those service men and women who are unable to find employment after their demobilization.

For these reasons, I recommend to the Congress that a uniform system of allowances for unemployed service men and women be established.

I believe that there should be a fixed and uniform rate of benefit for a fixed period of time for all members of the armed forces who, after leaving the service, are unable to find suitable work. In order to qualify for an unemployment allowance each person should be obliged to register with the United States Employment Service, and, following the usual practice in unemployment insurance, must be willing to accept available and suitable employment, or to engage in a training course to prepare him for such employment. The protection under this system should be continued for an adequate length of time following the period for which mustering-out payment is made.

At present persons serving in the merchant marine are not insured under State unemployment insurance laws, primarily because the very nature of their employment carries them beyond the confines of any particular State. I believe that the most effective way of protecting maritime workers against post-war unemployment is to enact without delay a Federal maritime unemployment insurance act. There has been in effect since 1938 a Railroad Unemployment Insurance Act and a similar act for maritime workers is long overdue. Marine workers are, however, insured under the existing Federal old-age and survivors' insurance law.

3. Members of the armed forces are not receiving credit under the Federal old-age and survivors' insurance law for their period of military service. Credit under the law can be obtained only while a person is engaged in certain specific types of employment. Service in the armed forces is not included in these types. Since the size of the insurance benefits depends upon the total number of years in which credits are obtained, the exclusion of military service will operate to decrease the old-age retirement benefits which will eventually be payable to service men and women. Furthermore, a large number of persons whose dependents were protected by the survivors' insurance benefits at the time they entered the armed forces, are losing entirely those insurance rights while they are in service.

I therefore recommend that the Congress enact legislation to make it possible for members of the armed forces to obtain credit under the Federal old-age and survivors' insurance law during their period of military service. The burden of this extension of old-age and survivors' insurance to members of the armed forces should be carried by the Federal Government, and the Federal contributions should be uniform for all members of the armed forces irrespective of their rank.

I have already communicated with the Congress requesting the enactment of legislation to provide educational and training opportunities for the members of the armed forces who desire to pursue their studies after their discharge.

The Congress will agree, I am sure, that this time we must have plans and legislation ready for our returning veterans instead of waiting until the last moment. It will give notice to our armed forces that the people back home do not propose to let them down.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, November 23, 1943.

COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3477) to extend the life of the Commodity Credit Corporation, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the bill was under consideration last Friday the Clerk had read section 1. Section 1 is now open to amendment.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the bill presently before the House today, if adopted with section 3 remaining, will, in my opinion, return to plague those responsible. It is a most dangerous experiment. On

both sides of the aisle we have heard pleas for unity since Pearl Harbor. Where are those pleas today?

Speaking of subsidies, have we not been dealing in subsidies for the past 30 years? You and I are responsible for these subsidies and taking the House as a whole no serious attempt has been made to even reduce them let alone abolish them. Only a few days ago I placed in the RECORD a list of Federal grants, each and every one a subsidy, if you please, that totaled nearly \$1,000,000,000, not including the food subsidy. Yes, we have been paying in part for other people's grub, as one Member said, and if we are to believe another Member, we have been engaging in blackmail every time we voted these Federal grants. Do we not in part pay for other people's grub when we vote benefits to the veterans, old-age assistance, help for the blind, the widows, and dependent children, and so forth. Have we voted those funds in the expectation of benefiting politically? If so, all are guilty, Republicans as well as Democrats, because we all supported them regardless of what political party was in power. Were we guilty of blackmail when we extended dozens of benefits to the farmers over a long period of years? I wonder if my friend who spoke of blackmail remembers when he offered an amendment to an agricultural appropriation bill to increase, not decrease, an appropriation to eliminate some disease or pest that was injurious to cattle. Was that not a subsidy? Was that blackmail?

Every appropriation bill that will come before us, with the exception of one, after the first of the year will contain subsidies in the form of Federal grants. Watch and see how many will be eliminated. If the food subsidy is so obnoxious as some would make us believe now will these other subsidies be equally so?

The present program has been successful. As I said, we are warned by those who should know, you are making a mistake. The white-collar workers and the housewives, as well as all whose incomes are in the low brackets, will be the ones to suffer the most if this program is destroyed and you do not advance a substitute. What have you to offer as a substitute? Nothing.

You are willing to destroy this plan but have nothing constructive to offer to take its place. Just recently we passed legislation increasing veterans' compensations, and raising the allowance to dependents of those now in the armed forces. All arguments in support of those bills were the same. The veterans and dependents could not live on what they were receiving. Not a single Member of this House voted against either bill. Now you would pass legislation that ultimately will increase the cost of living and the veterans and dependents of those in the service will be back to where they were before you voted to raise the Government's compensation. No one complained then nor advocated to "let them buy their own grub" nor did any one advance the argument we were engaging in blackmail.

Those who will suffer most if you destroy the food-subsidy program are not

represented by organizations such as the farm organizations. Only a small portion of them are members of labor organizations. I raise my voice in behalf of this group and appeal to you not to destroy the food-subsidy program unless you advocate a substitute that will bring equal results. I have listened to the Army and Navy with reference to the conduct of this war and I have supported their recommendations. We have brought to Washington some of the most outstanding businessmen in the country, Republicans as well as Democrats, more Republicans, if you please, to keep up the fight on the home front. Some of those men have made great financial sacrifices and they say that this subsidy is a necessity. I am going to follow them the same way I followed the men in the Army and Navy who are fighting on the battle fronts.

I hope we will not place ourselves in the position where we will increase the cost of living to the people of this country. The O. P. A. tells you that is exactly what you are going to do. It is best, in my opinion, to let good enough alone. Let us have unity on the home front, and one way to do that is to allow the administration to continue this food subsidy.

Mr. WRIGHT. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. What use is there in increasing the allotments to the dependents of soldiers and increasing the pensions to veterans if we are going to nullify that action by passing a bill that will increase the cost of living?

Mr. COCHRAN. No use whatever. If the cost of living does increase, a bill to further increase the compensation of veterans and others recognized just last week will be in order.

Mrs. NORTON. Mr. Chairman, I rise in opposition to the pro forma amendment, and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

Mrs. NORTON. Mr. Chairman, I am not an economist, and by the same token, judging by the arguments presented in this debate, I do not believe there are many in this House. However, one does not need to be an economist to understand the purpose of the opposition to this food subsidy. It is easily understood when you examine the reactionary lobby behind the opposition—the farm bloc in Congress, the farm lobbies, and the various trade interests, such as meat canners and packers. Members seem to think consumers do not count or that the issue has become so involved they will not understand its relation to their food bills. Well, if you saw the flood of protests from consumers, particularly women, received at my office during the past few days you would understand how very important this matter is to the housewives of the Nation. The consumers are only now beginning to realize how they are being "sold down the river." If you vote against this subsidy to the consumer—for that is what it really is—you will

have a lot of explaining to do when the price of food goes up, which, without subsidies, it surely will. You cannot be so naive as to expect the millions of citizens—I believe it is estimated that there are over 30,000,000 whose wages have not been increased—in offices, schools, Government, and industries not connected with the war and not organized to take it "lying down."

You will hear from them, make no mistake about that, and you will not like what they will have to say. For regardless of how you dress up your argument, the housewives of the Nation who provide the food for their families will understand that by your vote you have prevented the President from using funds appropriated in this bill to hold down the food bills and prevent inflation. That is something you will not be able to sidestep with any argument and do not forget that 75 percent of our food products are consumed by our civilian population.

It has been said that women hold the balance of power in America. This is undoubtedly true at this time with so many men absent, fighting and dying all over the world so that we may continue our American way of living. How do you think women will react when they find themselves paying excessive prices for the necessities of life and they realize we have made a political football of a device which would insure against inflation? I think I can tell you how they will react. Judging from my mail this morning they seem to have, at long last, awakened to the fact that they have power and intend to use it. If this bill is passed without the subsidy provision, it will do more to arouse women to their potential political strength than all the arguments advanced by either the Republican or Democratic Party since 1920. The surest way I know of to get women interested in any issue is to bring that issue into their homes for then it becomes peculiarly individual. When they find how little an inflated dollar will buy, we shall have a made-to-order issue for the women of America. Many of us older housewives have no difficulty in recalling World War No. 1 and the prices we paid for essential foods to feed our families—substitutes for flour; fresh eggs a dollar and a quarter a dozen and hard to get at any price; butter, sugar, almost impossible to buy. With all the complaints against O. P. A., I insist it has done a great job and should be given credit for holding the line under very difficult conditions. I have had a great many inquiries about the bill before us and the puzzling question seems to be, What is inflation, and how can a subsidy control the prices of food and prevent inflation?

It is my understanding that when prices go up to the point where your money is not worth much of anything, that is inflation. Inflation can reach the point—and has in other countries—where your whole week's salary will not buy enough food for 1 day.

The very first commodity to be affected by too swiftly rising prices which bring on inflation is food, because food is an absolute necessity to everyone. The price of food, therefore, is of first importance in our fight against inflation in this

country. That is probably why the President devoted one of the longest messages he has ever sent to Congress to food. In his message, the President asked for a continuation of what he and other responsible leaders believe to be the only method for controlling the price of this most important commodity—food—the use of subsidies. Up to now, we have managed to control fairly well the rise in the cost of food. Prices on a number of food items have been held and even forced down. For instance, butter, about 10 percent since June. We have maintained this control by the much discussed and misunderstood method called subsidy.

Bear in mind that a subsidy is not, as so many people seem to think, a general hand-out to farmers and food processors to bribe them to produce food which we must have for our armed forces, for our allies, and for ourselves. What it really is is a payment by the Government to the farmer to protect him from the loss he would otherwise sustain as the cost of production goes up, while prices are held down, and that is all it is. The part of the farmer's cost which the housewife does not pay, the Government does. To farmers and, in some cases, to processors of certain basic and absolutely essential foods, such as butter, for instance, subsidies have been paid by the Government—not as a bribe or hand-out but to protect them from losses in their expanded production.

The only other way beside subsidies that the farmer could have been protected was to allow the price of food items he was producing to go up, thereby encouraging inflation. The subsidy program has not applied to all farm products. It has not been necessary. It has been used only to protect producers of essential foods from loss under an expanded program. The alternative offered by opponents of the subsidy program is to permit farm prices to rise in accordance with demand, as they would under normal conditions. The administration points out that such a rise in food prices would bring about a demand for wage increases, which in turn would lead to a further rise in food prices, and then another rise in wages, leading certainly to inflation.

The President, in his message, stated that the subsidy program, already tried out, is necessary to prevent inflation and that while subsidies are paid out of the taxpayer's money, the taxpayer saves many times the subsidy and higher costs of everything the Government is buying these days for the war effort. He points out that we must produce food we need and, to get this food, we must assure the farmer a fair return for his work. To provide all the food we need at this time, every farmer in the United States has been asked to produce to the utmost limit and beyond, of the capacity of his land and his equipment. Our farmers are doing this. Food production in 1943 in the United States exceeded anything we have ever done before, or anything we had ever dreamed of doing before. The Government is asking American farmers to go even beyond this in 1944. How can they do this and why should

they do it if they are not protected by the Government?

I think I can say that I have voted, during my long service here, for every bill that would benefit the farmer. Some of them apparently benefited the farm organizations, not the small dirt farmers, who never have been considered to the extent they should be. They are not organized, but they are doing a fine patriotic job for America. Somewhere along the line, between the man who digs and plants the food and the woman who buys it for her table, there is much to be explained. It would be a great service if an honest investigation could be had on this subject.

Now, the record on food production in 1943 was a great one, but even greater production is planned for 1944. Again in his message President Roosevelt outlined some of the extraordinary demands on our food supply. Incidentally, three-fourths of the food produced in this country is being consumed, not by our soldiers and sailors or by our allies but by ourselves—the civilian population of the United States.

In planning and legislating for the future we must realize that as the war continues, the demand for increased supplies of food will be much greater. If we do not hold the line now, through the subsidy system, which provides a flexible and fair method of controlling prices, we will commit an unforgivable sin, not only against the men who are suffering and dying all over the world but against their children and grandchildren of the future.

Surely we will not dare to tell our soldiers when they demand an explanation on their return to the America they defended that we were too busy making a political issue of food to realize what they were fighting for. I want again to call your attention to the fact that rising food prices bring severest hardship to the more than 30,000,000 white-collar workers—clergymen, school teachers, police and firemen, city, county, State, and Federal workers—and to those living on insurance policies and the dependents of soldiers at the front. All of this the President pointed out so well as he traced the steps in the fight against inflation in his recent message to Congress. If there were a better way to fight inflation, it stands to reason that all of those charged with the responsibility, from the President down, would have found it. That nobody has leads me to believe there is no better way at this time. I believe that food subsidies are really war subsidies and should be regarded as part of the necessary war costs, just as munitions, ships, planes, tanks, and all the other matériel of war. Feeling very strongly on this issue, I shall vote to retain the subsidy provision in this bill, and, if that is defeated, I shall vote against the bill.

(Mrs. NORTON asked and was given permission to revise and extend her own remarks in the Record.)

Mr. TABER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, we have been met with all sorts of pleas to hold the line against inflation. We have been told that this

subsidy business will keep the cost of living down.

I want to give you a picture of how this situation has been dealt with. From the 1st of January 1941 to the 15th of September 1943 the cost of living has risen 22.9 percent. The average hourly rate of pay has risen in the period from the 15th of January 1941 to the 15th of August 1943 41.2 percent. In that same period the size of the weekly pay envelope has risen 63 percent. These are Bureau of Labor Statistics figures.

We ought to have some of these things in mind and realize just what the picture is. At the present time the Government is advertising for common labor right in the Washington newspapers and offering pay of \$71.05 a week and their expenses paid to Vancouver. I do not know whether you call that holding the line or not.

I want to call attention to the way this subsidy business works and what it amounts to in connection with the cost of living. As you put a subsidy and a roll-back into effect you reduce the price of those goods which are in most demand and in greatest scarcity. You drive those goods off the shelf and create a greater scarcity and a black market at the very time that we ought by a fair price to be keeping those goods so that they will carry through until some more come on. We should not be encouraging the consumption of meat, butter, milk, and other things that the subsidy has been placed upon at a time when the scarcity is such that it is absolutely necessary to ration most of them. In other words, the creation of scarcity is the thing that promotes uncontrolled inflation, it is the thing that creates black markets and does those other things which will destroy our economic picture.

The trouble with our food picture today is the mistakes that the War Food Administration and the O. P. A. have made with reference to the prices of different things. The price of milk, for instance, varies from 25 cents to 50 cents a hundred within a distance of 5 miles. The price of other things, including the price of grain for feed, the price that it can be bought in the market, are the things that have muddled our whole food picture.

At the present time we are facing a situation where as a result of that we are in great danger of losing a large part of our dairy cattle in the East. What is that going to do to you with reference to scarcity?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. How much would some of these things mean? Suppose we had a cent a quart increase in the price of milk. The average consumption of milk runs something like a pint a day through the East. That would mean \$1.83 a year. Suppose we had an increase of 10 cents a

pound in butter. The individual is not getting a pound a month. That would be \$1.20 a year. Suppose we had an increase of 10 cents a pound on meat. The individual gets no more than a pound a week. That would be \$5.20. The entire cost of those things would be \$8.23 a year.

How is that going to create inflation when you have the kind of a picture presented to us of the rates of wages and the increases and the hourly increases and the size of the pay envelope at the end of the week?

The only fair thing is for us in this flush period of high wages to pay for what we get and not charge it up to posterity, to pay now for what we get at a time when we need to prevent the creation of scarcity, and not do those things that will create more and more a greater and more dangerous inflation.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. That is what the gentleman should have explained in his own time, but he did not. I am sorry, I cannot yield at this time because I do not have enough time.

I hope that when the Members of this House come to vote upon this question they will use their heads and not be run off their feet by telegrams. I had a telegram from a fellow here in Washington saying that he was a voting resident of New York. A name was signed to that telegram. I checked up on that telegram and found that he had given a telephone number as his address in case of no delivery, and that he had used the first two parts of his name. He had not given his own surname. That is the kind of propaganda that has been coming in here to Washington to a lot of Members here on the floor, from people who knew nothing about it and did not dare sign their own names. I hope the Members of the House are not going to be run off their feet to do something unsound because of telegrams.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, we expected an outburst from the loyal administration leaders. They have been very busy. We should not be surprised at the bombardment of postal cards and telegrams. Heretofore it has been the custom, has it not, for key employees of the Government to be instructed to urge the people to write or telegraph their Congressmen. It is not difficult to imagine the cause of these messages. I have received very few, indeed, but others report that they have received many.

How these bureaucrats love to see the Congressman forced into submission. However, in this instance we are not much frightened by the bombardment. We are acting rightly and are not to be deterred. I am disturbed over Walter Lippmann's article appearing this morning. Walter Lippmann has administered to you a "primer lesson," if you please. Read it in the Washington Post. Lippmann carries a great deal of weight with his public. He knows a great deal about everything. If you read his article, and I hope you will not be too much influenced by his arithmetic. You may de-

cide that he himself is not competent to teach beyond the primer class.

He says when it costs one producer \$1 to make an article, and when it costs another \$2, and when it costs a third one \$3, we should fix the price at \$2. The first one will still make the profit of one extra dollar, but the public must pay the high-cost producer the extra dollar. The price therefore should be \$2.

Such conditions seldom prevail as the high-cost producers must have vanished. Cost conditions had already wiped out such illustrations. You would think that those three manufacturers might even be from the same community. If so, two would not have been in business at all. If one man could make an article at \$1 and it cost the other \$3, he would not be in business.

Citrus fruit in Florida ought to sell, and does sell, more cheaply there than in New England. But when you raise the ceiling price above that which prevails, you freeze that price everywhere at what was the price before, which was different in the various localities. Supply and demand and distribution expenses play their full part in such matters.

I do not like his reasoning. I do not want his illustration to poison the minds of my people, who so often follow him, as I have done, on many questions. It weakens my respect for his teachings. He claims to have read the debates and to be well informed. He cannot dismiss this most complicated matter so simply.

I read this morning an article by a former Democratic Member of this House. He ought to be persuasive. He says, "Of course, when you roll back prices, this is a hidden wage increase." Our friend the gentleman from Texas, Mr. PATMAN, seemingly agrees. He seems to acknowledge it, but advocates taking it away by more taxation. It is, indeed, a hidden wage increase; there is no question about it. They have induced some of my white-collar workers to write me letters. Labor today is getting higher wages than it probably ever had before.

Even the domestics—let us see you hire one at almost any price. I have seen this sort of advertisement in the paper: "We will give you, an ordinary domestic, \$22 per week, furnish you a private bath, a radio, nearly anything you want." No applications received. In many localities this prevails, and the War Manpower Commission says you cannot take one from one locality to another.

When they are getting these high wages, why should we pay their grocery bill, as is often stated? When this war is over, those white-collar workers will find they are the only ones getting a steady salary, be it insufficient. Those high wages paid to laborers will have disappeared.

The tax bill to pay for those subsidies will then be presented to those white-collar workers for payment. I do not claim to be an economist, but after many years of service here I have learned the methods of the administration in power to secure votes for themselves by high pressure. I do not want to be disagreeable, but your Democratic Con-

gressmen of former days, to whom I referred, said, "This is a bill to win the next election." Many have advanced that opinion.

An old adage: "He who would sacrifice a little liberty for a little temporary safety deserves neither liberty nor safety."

Mr. FORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from California [Mr. FORD] is recognized for 5 minutes.

Mr. FORD. Mr. Chairman and Members of the House, we have had two very eloquent speeches on this subject, one of them reporting a lot of statistics that are perfectly all right, except they are not correct.

Mr. TABER. Will the gentleman yield?

Mr. FORD. I yield.

Mr. TABER. Those statistics are the exact figures from the Bureau of Labor Statistics.

Mr. FORD. I do not care whose figures they are; they are not correct.

Mr. KNUTSON. Coming from some bureau downtown, of course, they would not be correct.

Mr. FORD. I do not know what you did or where you took them from or what your basis was; they are incorrect because of the base date, so it is all right with me for you to quote them. They are in line with all other statistics which the opposition to subsidies have offered.

My good friend the gentleman from Massachusetts [Mr. GIFFORD] who is always lovable and charming and witty and delightful, makes a rather broad statement too. He always does. He means well, but? But that being as it is, I just want to make this one observation, if you gentlemen want to pass this section 3 in this bill, all I have got to say is you are going to face one of the worst inflation spirals that this Nation has ever been called upon to meet. If you think that when butter goes to a dollar and eggs to a dollar and wheat to two or three dollars and corn to \$1.50 or \$2, and all the other spiraling prices, if you want to meet that in 1944 with the country in a wild flurry of inflation, why, it is O. K. by me. But I want to tell you there are more consumers in this country than there are farmers. We gave the farmers of this country in the last 10 years about \$6,000,000,000 or \$7,000,000,000. They have always had their hands out to the Treasury when they were in trouble. Now, when we are trying to meet the stabilization situation the farmers come in and they want the lid taken off and they want to have the old law of supply and demand apply. Well, let us have that if you want it, and boys, you are going to be sorry for what you did when the voters get a chance to tell you how they feel about it.

The opponents of subsidies are only opposed to consumer subsidies, but they are in full accord with the idea of producer subsidies.

You say consumer subsidies are paid out of the Treasury; well the producer subsidies also come out of the Treasury.

You say consumers' subsidies will be a charge on the next generation well, so

will producer subsidies. The point seems to be that subsidies for farmers are of great virtue, but subsidies for consumers are of evil and bad report. If that is good Americanism, then my education has been sadly neglected.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. The gentleman from New York [Mr. COLE] is recognized for 5 minutes.

Mr. COLE of New York. I ask permission to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COLE of New York. Mr. Chairman, not having had an opportunity to discuss this important subject of subsidies when it was considered under general debate last week, I am taking this time today to express my views for the RECORD on a subject which is of vital importance to the country so that my colleagues and my people may know the reasons why I have concluded to support this measure to prohibit payment of roll-back, or consumer subsidies.

Measured by the volume of communications received from my constituency, it is unquestioned that the people of my district do not approve the principle of consumer subsidy. However, this has not been controlling of my decision nor my reason, for I have assumed that it is the responsibility of any representative of the people to study all phases and implications of any given question and eventually come to a conclusion based upon the sole consideration of what is best for the common good. While I confess that my conclusion does not square with the judgment of many persons at home whom I respect and that my judgment is not infallible, at the same time, it must be admitted that at least I have probably given the matter more thought and detailed study than they.

Many protestations have come to me from the farming interests in my district, typifying the thought of agriculture generally throughout the country in opposition to roll-back subsidies. It is claimed by them that subsidies inevitably lead to regimentation and control by the Government. Quite true. Every time a group or class receive some governmental preferment, they are circumscribed and regulated. It is inescapable. However, much as I deplore regimentation of our people, especially the farming class, this particular argument against subsidies does not impress me greatly. I recognize that when one's nation is at war drastic and severe regulation is inevitable and I am confident that the farmer is as ready to make sacrifices when his nation's life is at stake, whether it be by way of out-of-pocket losses or of regimentation, as any other segment of our population, and a great deal more ready to comply with governmental strictures than some groups within us.

First, Mr. Chairman, we should have a clear understanding of the meaning of the terms used in a discussion of the subject of subsidies. Generally speaking, subsidies, which is the application of

public funds for the promotion or maintenance of any activity or function affected with a public interest, is rather common in our history. We have had subsidies to encourage the development of a merchant marine, the promotion of commercial air lines through air-mail contracts, maintenance of transoceanic shipping by Government support of insurance, the transportation of petroleum products to the Atlantic seaboard, the production of crops and commodities for which there is either an inordinate demand or a shortage. Even now, the Government is offering subsidies to promote the production of certain agricultural products by means of a support price or guaranteed minimum. With these kinds of subsidies there is little, if any, disagreement; we recognize that they are essential in a war economy and some in times of peace.

The type of subsidy with which there is violent disagreement is the consumer or roll-back subsidy by which the Government undertakes to cushion the public against payment of the ceiling prices on commodities, the ceilings having been previously fixed by the Government itself. Essentially, this means that the Government is paying a part of the food bill of the people. In reality, the consumer roll-back is not a subsidy at all—but a dole, a hand-out from the Public Treasury, not based upon individual need but, rather, because of individual affluence. It does not promote or encourage or maintain production of anything, unless it can be charged that it is designed to encourage the highly paid wage earner not to ask for higher wages—a mild form of bribery.

One month after Pearl Harbor the Congress gave to the President authority to stabilize prices of commodities and to encourage their production. It did not give him power to restrict the advance of wages at the same time for the simple reason that he announced a refusal to accept that authority. Then, in the summer of 1942, the President demanded that the Congress give him complete authority over both prices and wages, asserting that in the event of congressional failure, he would accomplish it, anyway. Having been ready to clothe him with this authority previously, in October 1942 it conferred upon the Executive not only the authority but the obligation to stabilize prices and wages as of September of that year. In the exercise of that authority, either through deliberate intent or the ineptitude and inefficiency of the administrators, this was not done, and prices on certain articles were allowed to go to a point which now is thought by them to be too high.

To remedy the situation, they have resorted to their characteristic panacea of dipping into the Public Treasury. Bold, courageous, competent dealing with the problem at the time would have averted the present difficulties. Certainly this failure cannot be credited to the Congress. Rather, the Congress is to be complimented for its apparent refusal to throw open the gates of the Treasury for this absurd and demoralizing raid. Any government which undertakes to buy bread and meat for the people in times

of prosperity is doomed in times of adversity.

The principal argument advanced by the administration in its request for legal authority to continue an operation which it has insisted is essential in the program to stabilize prices is that to do otherwise and allow a price advance for those articles on which there is a proper showing of justification for the increase, would result in "ruinous inflation." If I were convinced that their contention is sound, or even if there were a reasonable chance that their position is correct, I would not oppose consumer subsidies. There is not a Member of this body who does not recognize the threat of inflation and seek by all possible means to avoid it. The truth of the matter is that the plan they espouse would result in a saving to the consumer public of 1½ cents a day per person. It is inconceivable that this slight increase in the cost of living would form any reasonable basis on which to place a demand for higher wages—at least this would be true if the administration of the problem were in the hands of a government committed to the treatment of all classes and groups in the country with fearlessness, impartiality, and on a nonpolitical basis.

Rather, it can be safely argued that to pay consumer subsidies would encourage inflation and higher prices. It is commonly agreed that the real threat of inflation stems from the fact that a tremendous idle purchasing power now lies in the hands of the public. By just so much as the Government undertakes to spare the public from paying its own grocery bills, to that extent the volume of purchasing power held by the public is enhanced and the danger of inflation augmented to the same degree.

Now, is it true that the cost of living has already advanced beyond the increase of wages so as to justify either this method of relief or a demand for a wage increase? According to the United States Bureau of Labor Statistics, the cost of living in February 1943 was 21.5 percent higher than the average for the year 1939. The National Industrial Conference Board shows a 19.5 percent advance for the same period. But what has happened to the average weekly earnings of factory workers during that interval? The Bureau of Labor Statistics states that these earnings rose from \$24.59 to \$41.12, or a gain of 67.4 percent. The National Industrial Conference Board reports that the advance was from \$27.02 to \$43.91, an increase of 62.6 percent. Both these figures refer solely to those actually employed, taking no account of the large additional gains in income brought about by rising employment. The best available evidence indicates that in the last 4 years the contents of the pay envelope of the average factory worker have expanded at least three times as much as the rise in the cost of living. This being so, how can anyone with any degree of honesty claim a still higher wage because the average family must pay about 5 cents more per day than they would have to pay if this program were to be adopted? It is ridiculous.

For every dollar of consumer subsidy paid out now, the taxpayers of tomorrow will have to remit two or three dollars to the Treasury. In effect, we are asked to place upon the shoulders of future generations the obligation for payment of a part of our grocery bills of today. This I am unwilling to do. The reaction of the soldiers returning to their homes at the end of the war will be great and they will be resentful of certain conditions and practices that were allowed to continue during the war. The strikes, work stoppages, demands for higher and ever higher wages made by the leaders of labor already are sufficiently grave to cause the returning veteran to be indignant. It is unthinkable that he should not only be asked to fight in the foxholes, the air, and on the water and now, in addition, obligated along with his children to pay the food bill of those of us who stay at home.

Mr. Chairman, it is asserted by the proponents of the roll-back principle that without this authority the Government will lose control of the stabilization program. With this contention, I take positive exception. If price control were the only mechanism through which stabilization is sought to be effected, there might be some room for the argument. However, since price control is also coupled with control through rationing, it is difficult to understand why the situation cannot be handled effectively and properly by a fearless exercise of the rationing power. If the price of any article is too high, increase the point value of the commodity and thereby curtail its consumption. Proof of the strength of this as a weapon in control is the present exercise of it by the Government in the case of pork products. It was found that our program has brought about too great a quantity of pork, to an extent where the Government is called upon to make good its commitment for a minimum price for producers. To relieve this surplus congestion the Government only recently announced the lowering of point values for pork which will result in a gradual increase in consumption until the situation is brought into balance. Those who claim that consumer subsidies are essential if inflation is to be averted lose sight of the power of rationing which, if properly exercised, to my mind, can deal with any abnormal conditions in a way which will bring prompt and orderly relief.

There is but one group of our citizens to which the consumer subsidy would supply a much-needed relief in their present plight. I speak of the thousands of persons whose income remains fixed or constant in the midst of surrounding price and wage increases. The white-collared worker, the teacher, pensioner, minister, office worker, and person living on an annuity or fixed income from invested savings are forced to meet not only ever-mounting tax requirements but the higher cost of living as well with no increase in their income whatever. There might be some justification for the Government coming to the aid of this class of persons to relieve the squeeze in which they are caught, but I venture the assertion that the idea of a dole or

public subsistence is abhorrent to them and that they would far prefer some assurance that their Government is dealing with public funds in a careful, prudent, and as conservative a manner as the demands of a war economy will allow.

Mr. Chairman, this is not a partisan issue. Although roll-backs are sought by the administration, those in the Congress who feel the program to be unsound and unwise, come from both the Democratic and Republican Parties. It is true that all Republican members of the Banking and Currency Committee, which has reported this bill, took a stand against roll-backs, but they were supported by a majority of the Democratic members of that committee. In considering the problem, I have tried to avoid partisan political considerations. Even in peacetime when considering problems facing the country, I have been guided by what seemed to me best for the country, irrespective of political considerations. This is and should be especially so in time of war. Although my deliberations have not been dominated by political implications, a careful consideration of the problem and the type of remedy recommended by the Government, leads me to the inescapable conclusion that the roll-back program is advanced by the Government leaders for the purpose of political preferment. Through it they see a chance for political advantage with a large segment of our voting population. Stripped of all its high words and nice-sounding phrases, when the Government undertakes to pay a part of the consumer's food bill, it is in reality an advance in wage or an increase in the consumer's income. The Government is getting set for the elections of 1944. The fact that a very substantial number of Democratic Members have joined with the Republicans to stop this practice indicates that the people of the country will not countenance this cheap form of demagoguery sought to be done at the expense of future generations.

I yield back the balance of my time.

Mr. DICKSTEIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. DICKSTEIN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Chairman and Members of Congress, I have been listening intently to the discussions on this bill for the last few weeks. Thus far, none of the opponents of subsidies has been able to propose anything more effective than subsidies to keep prices down and to protect us against the danger of inflation. I know in my city of 7,000,000 people we have no war industries.

One of the principal problems facing this Nation at the present time is the problem of how to avoid inflation.

Our Government very wisely tried to prevent inflation from hitting the aver-

age man, woman, and child in the United States, and sought to make the lot of the average family so much easier.

It is true that in some sections of this country increased production and the ability to find war jobs helped a good many of our people, and in those places where there is an abundance of war work the rise in the cost of living is not felt very badly.

My constituency, however, is in the city of New York, where there has been no appreciable amount of war work, and where the real wages of the average workingman and woman have really fallen down and were not increased to meet the increased cost of living. That is also true of most other sections of my State.

That the cost of living has increased, however, in most of the urban areas of the United States, and particularly in the city of New York, has been recognized by all students of economics.

The mayor of the city of New York in a broadcast last week, called attention to the fact that unless some congressional or Executive action is taken by January 1 to lighten the burden of wage earners in nonwar industries, by increasing wages to face the constantly rising cost of food, clothing, and other items which make up the average household budget, these workers will be unable to stand the increased cost of living.

In addition to that, the average wage earner today must pay an enormous income tax, which is deducted at the source, and which it is proposed to increase in amount in the new tax bill.

You can, therefore, see how difficult it will be for a person whose wages were not increased, to meet the increased burden of living costs, the withholding tax, and all other charges which will be made upon his diminished returns.

It is also worth while to observe that while we have a very good amount of statistics about the cost of living, taxation, and average increases, and other figures showing how much the average employee receives in wages, these figures are very misleading, since they deal with an average throughout the United States and do not specify an average as it applies to the ordinary city worker, or an employee in a nonwar industry, whose cost of living goes up just the same, but whose wages, as I pointed out, have not only not been increased but have been lowered, comparatively speaking.

An official table, prepared by the Office of Price Administration, shows the rise in food prices of many ordinary commodities which will occur if subsidies are removed. The table is as follows:

[From the New York Times of November 18, 1943]

	Unit	August retail price	Price increase from removal of subsidy
Meat beef round steak.	Pound....	41.6	5.2
Rib roasts.....	Pound....	33.7	4.6
Chuck roast.....	Pound....	29.1	3.5
Hamburger.....	Pound....	28.3	3.8
Veal cutlets.....	Pound....	45.5	6.0
Pork chops.....	Pound....	38.0	4.6
Sliced bacon.....	Pound....	42.2	5.2
Sliced ham.....	Pound....	52.6	6.6

	Unit	August retail price	Price increase from removal of subsidy
Whole ham.....	Pound....	36.1	4.5
Salt pork.....	Pound....	23.0	2.8
Leg of lamb.....	Pound....	40.0	1.7
Lamb rib chops.....	Pound....	46.0	3.2
Butter.....	Pound....	50.5	19.9
Cheese.....	Pound....	37.4	17.8
Milk.....	Quart....	15.1	1.0
Dried prunes.....	Pound....	16.7	3.2
Canned vegetables.....	No. 2 can....	13.5	1.4
Sugar.....	Pound....	6.8	1.0
Dry edible beans.....	Pound....	10.3	1.0
Apples.....	Pound....	11.3	1.0
Bread.....	Pound....	9.0	1.0
Flour.....	10 pounds....	61.7	7.0

¹ In addition to the effect of abolishing the subsidy on the commodity itself, this figure includes the indirect effect of abolishing the feed subsidy on milk.

² Average of delivered and grocery prices.

³ Represents the price reduction that will be made impossible by prohibition of the subsidy rather than an actual increase. The percentage changes express this absolute price reduction as a percentage of the August retail price.

The only way, therefore, in which some stabilization could be obtained in the various items constituting the daily food budget of the average American family would be by way of some sort of a subsidy, which the Government would create in order to maintain the present scale of prices. The word "subsidies," of course, has a sort of ominous and unpleasant sound, and there are many Members of this House who are strongly opposed to subsidies, calling them un-American and a host of other names. Nevertheless, subsidies are nothing new and have been practiced for some time solely for the benefit of the American public and the average householder. The Commodity Credit Corporation, for example, has bought various commodities, including tomatoes, sweet corn, peas, carrots, cabbage, lima beans, snap beans and beans from processors at 1943 prices and then re-sold them at 1942 prices to the public. This has saved all of us some \$30,000,000. If it were not for this single subsidy, each can of food would cost the housewife a cent and a half more, which is a lot when you count all the cans a family uses.

It is true that there have been some instances where subsidy price control has been abused and it is up to Congress to be on the alert and correct any of the abuses which might be found, but it is not true that subsidies are un-American, since this was the method used for many years in order to correct inequities and bring about a better cooperation between producers and consumers. I am sure that with the proper control, an intelligent program of subsidies is in the best interests of the American people.

Sometime this year the proper steps were taken to adjust the compensation, especially of war workers, to the mounting and rising cost of living. It was then that a formula was devised, which came to be known as the Little Steel formula, and which provided, in effect, a 15-percent raise in the pay of most workers in the war industries. This Little Steel formula, however, was only a partial solution, and it was not applied to the millions of so-called white collar workers in industries which were not considered war industries, or over

which the various national wage-adjustment boards had no jurisdiction.

The proposed bill, by which there would be a continued roll-back of prices, is now provided for in the Commodity Credit Corporation Act, and is a partial answer and a partial solution to this vexing question. It is not a complete solution because it covers only certain items of expense which the ordinary person incurs, and does not cover all the items which make up the cost of living.

If wages and prices had been stabilized at the same time there would have been no necessity for any roll-back or subsidies to maintain the present prices of commodities. But, unfortunately, there was no such stabilization, since as I said before, only a portion of the wage earners received the benefit of a 15-percent increase in wages. Those who did not receive any increase had no recourse to any legal action which might be taken in their behalf and all they could do was to either go out and get another job or ask their employer to give them a voluntary increase, which, of course, was a very hard and up-hill process, and in most cases resulted in no action.

The Director of the Office of Price Administration estimates that there are 15,000,000 persons in the United States whose pay envelopes had not increased and who live on a very close budget so that each increase in the cost of living brings a lowered standard of living.

These persons, not being organized, and having nobody to plead for them, depend upon us in Congress to take up the cudgels in their behalf and do everything in our power to alleviate their plight. There is only one way in which this group can be helped, and that is by price ceilings. These price ceilings must be kept if we do not wish these 15,000,000 wage earners to find themselves with a highly reduced standard of living at a time when we are all fighting to keep the morale of our Nation by maintaining a high standard of living.

I feel that the aid which has heretofore been given by way of roll back of prices is still not adequate enough to take care of the many whose wages have dwindled so much in this era of high prices. But it is a step in the right direction, even though only a step. I can very well see that if such roll-backs are not created the average man, woman, and child in this country will have to live on a starvation diet, and, instead of a people unified and armed to fight for their country, we shall find a disgruntled people who will be forever critical of the Government and forever unhappy in whatever might be done for them. We must not allow dissatisfaction to reach the point where our war effort will suffer and where through lack of action on our part we shall be compelled to revise the daily routine of living for those who are least able to afford to maintain themselves.

For instance, the Commodity Credit Corporation buys up cheese at 27 cents a pound, then resells the cheese at 23½ cents a pound. Without the cheese subsidy, retail cheese prices would increase about 4 cents a pound. This subsidy has saved the consumer about \$3,000,000 over the grocery counter.

The milk subsidy which averages 38 cents a hundredweight has thus far saved consumers about \$3,000,000. A peanut-butter subsidy of 4.5 cents a pound has made it possible to reduce the retail price from 33.1 cents to 26.5 cents a pound. This operation will save us about \$20,000,000. The sugar-beet subsidy of \$1.50 a ton has saved us about \$112,000,000 and in the case of canned vegetables, the C. C. C. has absorbed the increase over the last year in the price of vegetables and has thus saved the American people about \$30,000,000.

The butter subsidy, which went into effect June 4, rolled the butter price back from 46 to 41 cents a pound and will save consumers about \$97,000,000. The meat subsidy will save us at least \$400,000,000 and if it is canceled, we must get ready to pay 6 cents a pound more for bacon and 8 cents more for ham.

Not only have subsidies kept prices down, and pyramided profits also, but they have given producers enough incentive to increase their production. The production of subsidized crops increased 35 percent after the program went into effect. Nonsubsidized crops increased only 6 percent in the same time. So subsidies mean: First, lower prices; second, more food.

Again referring to current wages paid to American labor, even the 15-percent raise which was granted to some workers, was entirely inadequate, since the latest figures show that the over-all increase in the cost of living is some 23 percent. So you can see how difficult it is to keep up with this constant increase in the cost of living, and how the poor worker who has no protection is sliding down the scale of living from day to day and from hour to hour.

We must not allow the situation to get out of hand. I know that the creating of the roll-back is not a permanent solution of this problem, and I expect that both the administration and Congress will take more effective means in the long run to control both prices and wages. But until such is done, and until a definite formula is adopted, and a thorough study made of the situation, let us not bring the unorganized worker and the person who has not been able to obtain an increase in wages, into a position where his plight will become desperate.

We must do first things first, and settle each problem as it arises. The immediate problem before us is how to save from starvation the consumer of goods who has no protection, and the poor wage earner whose little pay envelope has been reduced from time to time, until it can hardly buy him the necessities for his daily life. Let us at least keep the price of his daily necessities at the present level, and let Congress and the administration make a thorough study of the situation and offer a complete solution, which will once and for all stop any inflation.

Chester Bowles, who has just been appointed Administrator, I think, is a man of ability and high character. I feel he understands his business, and if we will only give him a chance to do something, by giving the Commodity Credit Corporation money to be used for sub-

sidies, so that Mr. Bowles, through O. P. A. can keep the prices down and hold the line, I am sure, gentlemen, we would be doing a great service to the American people. During my long service in this House I remember voting for more money expenditures—subsidies in one form or another—than I have hairs on my head. I remember we had flood control for farmers of every section of the country. We men representing large cities have always supported the farmers in their requests for some form of subsidies to help them. When they needed Government aid, they and their friends never thought of calling subsidies un-American. I am amazed, therefore, to hear today that the farmers do not want subsidies. Why? There has not yet been presented a proper answer to that question.

Mr. WOLCOTT. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I think the gentleman's attention should be called to the fact that, although I know he did not intend to make a misstatement, the Office of Price Administration is not paying any subsidies today, although they have the power to do so.

Mr. DICKSTEIN. That is true. I thank the gentleman. But the fact is, we have an Administrator that is trying to do a fine job. But authority to keep down prices is not sufficient unless it is backed up by financial ability to subsidize certain industries to keep consumers' prices at a certain level.

Mr. WOLCOTT. I might say, gentlemen of the committee, that this bill in no manner repeals or modifies or in any manner affects the authority of the Price Administrator to pay subsidies for the purpose of maintaining maximum prices of any goods or food.

Mr. DICKSTEIN. Yes; but under section 3, you practically destroy the very program upon which hinges the question of price control.

Mr. WOLCOTT. No. You do not destroy it.

Mr. DICKSTEIN. That is what your argument was last Wednesday.

Mr. WOLCOTT. No, no. That is Mr. Bowles' argument and Bowles has not recently read subsection (e) of section 2 of his own bill, which we do not disturb.

Mr. DICKSTEIN. Has it been changed?

Mr. WOLCOTT. No. It has been that way for a year. We settled this question of prices a year and a half ago.

Mr. DICKSTEIN. Let me ask the gentleman this: If you vote for this bill, if you leave section 3 in the bill, that means that you remove subsidies for the roll-back, which in turn means an immediate increase in food prices. Am I correct?

Mr. WOLCOTT. You remove the roll-back. That is, you remove the financing of the roll-back, but you do not remove the authority which the Price Administrator has to roll back.

Mr. DICKSTEIN. What good is the authority to do something if all the tools with which the job can be done are taken away?

Mr. WOLCOTT. Where we directed he should do it last October.

Mr. DICKSTEIN. When you vote for section 3, which is the real crux of the whole bill, you are practically killing the roll-back program, are you not?

Mr. WOLCOTT. No. Stripping purely and simply the financing of the roll-back.

Mr. DICKSTEIN. Which is in my opinion the same as killing it. If the Commodity Credit Corporation does not get the money to subsidize the roll-back, then there is no way for the Office of Price Administration to keep down prices—even though theoretically they may have the authority to do so.

Judging by the public reaction to subsidies, I would say that the people of this country are overwhelmingly in favor of continuing this program for the protection of the consumers and as a check against the dangers of inflation. While our armies are fighting for the preservation of our way of life let us do all we can to protect their families and to keep the standard of living that is necessary for a free and decent people to have.

The CHAIRMAN. The time of the gentleman from New York [Mr. DICKSTEIN] has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the distinguished gentlewoman from New Jersey [Mrs. NORTON] referred to various blocs that were in support of this legislation, but the gentlewoman did not mention any particular blocs which favored subsidies. I want to spend a few minutes' time discussing one of the main sponsors of the consumer subsidy program, that is, the C. I. O. A few days ago, the president of the C. I. O. Automobile Workers Union, R. J. Thomas, appeared before a Senate committee, and said that the radio broadcasting companies were gagging him so that he could not get any time to speak on the air.

Mr. Chairman, every citizen who believes in the "four freedoms" for the American people, should be seriously concerned at an incident which took place on Sunday last, to threaten the freedom of the air waves—in the radio broadcasting field. The incident is a clear demonstration of how far a dictatorial group will go to dominate and arbitrarily take over popular means of communication for the sole purpose of spreading erroneous propaganda on important issues before the Congress.

I refer to the unexplained action of the National Broadcasting Co. in canceling the paid radio time of the Sunday program known as the Voice of the Dairy Farmer, and the turning over of this 15 minute broadcast period to C. I. O. Vice President R. J. Thomas, who is also president of the C. I. O. Automobile Workers Union, for a political speech in favor of consumers' subsidies. The radio stage was a perfect set for the C. I. O. official. Millions of farmers sat around their radios on Sunday afternoon to listen to the noncontroversial voice of the dairy farmer. This program was listed and advertised in the newspapers and radio programs of the country. When

the time came for the farmers' program, the N. B. C. announcer proclaimed, "The program previously scheduled for this period has been canceled, and the time turned over to R. J. Thomas, C. I. O. president of the United Automobile Workers Union, who will speak on subsidies." Mr. Thomas minced no words with his farm audience on his strong stand for consumer subsidies. He threatened his listeners and said the C. I. O. would break the Little Steel formula if subsidies were not approved to help pay on the grocery bill of the membership of his organization, out of taxpayers' money from the United States Treasury. In fact, he said the C. I. O. would break the Little Steel formula wage scale, irrespective of congressional action on consumer subsidies, because he said the formula was not fair to his fellow workers. Incidentally, C. I. O. war workers, are the highest paid men in American labor today. Mr. Thomas, Mr. Murray, and other leaders in the C. I. O. are among the main sponsors of the administration consumer subsidy program.

I tried to find out who was responsible for the cancelation of the radio time paid for by 5,000,000 American farmers. Officers of the National Broadcasting Co. are silent and refuse to explain. I would like to learn if labor leaders in the C. I. O. have some mysterious control over the N. B. C., or if the cancelation was ordered by some official of the Government at the demand of the C. I. O. I feel that Congress and the people have a right to learn who exercises this dictatorial control over the N. B. C. Freedom of the air waves is at stake. I will ask the Cox special committee and other committees in Congress to conduct a full investigation to find out who is responsible for the arbitrary action in canceling the farmers' program last Sunday.

Mr. Thomas, of the C. I. O., claims that his organization has been gagged by the broadcasting companies. The records show that in addition to the 15 minutes he stole from the farmers, members of his organization were on the air Sunday afternoon for another 30 minutes. Yes, I think it about time for Congress to make a full investigation and find out who is gagging who.

DAIRY GROUP CHARGES GAG TO AID SUBSIDY

The American Dairy Association said yesterday it had begun an inquiry in Washington, D. C., as to why its regular Sunday radio program was summarily barred from the air and the time given to a speech by R. J. Thomas, president of the United Automobile Workers of America (C. I. O.). Thomas spoke in favor of Federal subsidies to hold down the cost of food.

Owen M. Richards, manager of the dairy organization, said at its Chicago headquarters that the association was shocked when notified Friday night by the National Broadcasting Co. that the 15-minute "Voice of the Dairy Farmer" program would not be broadcast as usual at noon on Sunday. He said the association immediately protested and refused to release its radio time, but was told Saturday by N. B. C. that there would be no program from the Chicago studios and Thomas' talk would be broadcast from Detroit, Mich., instead.

ASSOCIATION AVOIDS CONTROVERSY

"The program sponsored by 5,000,000 dairy farmers was choked off the air at the eleventh hour when the controversial subject of food subsidies, affecting the Nation at large, was approaching a congressional decision," Richards asserted.

"The American Dairy Association has been careful not to involve its members in this controversy. We have always presented both sides of the question, and on the Sunday radio program based our views on economics and not politics."

DICTATORIAL METHODS CHARGED

"To have our radio time taken away in this fashion and given to the C. I. O., which is not in harmony with the farmer's viewpoint, is shocking. The method used borders on dictator-nation methods, and is not to be expected in a free America."

Richards charged that Thomas in his radio talk made a political issue of the subsidy question and failed to state facts when he told consumers that the cost of food subsidies would be small, whereas inflation would double their annual grocery bill. The dairy association official further accused Thomas of attempting to frighten farmers by reminding them of the agricultural depression following the last war.

EXPLANATION IS DEMANDED

Richards said the dairy association had not taken a stand on food subsidies, but had asked only for a fair price for agricultural products both to meet rising production costs and to stimulate output.

He explained the association had not learned who ordered the program off the air. He said an explanation had been demanded "in the interests not only of the program sponsors, but of all free Americans." The inquiry under way is expected to be taken up in the House of Representatives, he said.

The dairy official called attention to the fact that a C. I. O.-sponsored program follows the Voice of the Dairy Farmer at 12:15 p. m. on Sundays and is broadcast by N. B. C., but Thomas did not use this time for his subsidy speech. The dairy program is broadcast over a network of 60 stations and began about a year ago.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes; I yield.

Mr. FORD. Does not the gentleman think that labor has just as much right to present its views to the country as the farmers?

Mr. AUGUST H. ANDRESEN. Exactly. And I will say to the gentleman from California [Mr. FORD] that the C. I. O. leader took this time away from the farmers, and it was time that was paid for by them for a noncontroversial program.

Mr. FORD. Oh, they have been there for weeks and months.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

Mr. BALDWIN of Maryland. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I listened very attentively to the address of my colleague from California [Mr. FORD]. I felt impelled to say a few words with reference to his remarks. The gentleman from California may have had some reason to give us the figures to which he felt the prices of foodstuffs would rise if this

bill is passed, or some basis on which to base those figures. But to my mind that is what is wrong with the fight for or against this Commodity Credit Corporation bill right now. Men who know better know that prices of foodstuffs, if this bill is passed, could not go to those heights unless we abolished the Office of Price Administration. They try to arouse public opinion in this country among the consuming public, who do not have the figures or any way to understand what this subsidy program means, and cause them to feel that if the provisions of this bill are carried it will cost them a huge amount of money in their grocery bills and in their food bills every week.

Mr. DICKSTEIN. Will the gentleman yield for a brief question?

Mr. BALDWIN of Maryland. In just a minute. Anyone familiar with the present subsidy program realizes and knows that it is only an insignificant part of the monthly bill for any family's food in this country.

Mr. FORD. Will the gentleman yield, having mentioned my name?

Mr. BALDWIN of Maryland. I will yield after I have finished. The reason that they have had a demand for these subsidies is because of the apprehension of my good friend from California that the O. P. A. does not know how to handle the fixing of prices of food commodities. When the Congress created the O. P. A. law it gave that agency ample authority to hold the line. It was not the intention of this Congress, as I understand it, that they should set ceiling prices on any commodity below the cost of production and then come to the United States Treasury and take money out of it to pay the difference. It was given authority to set ceiling prices which will return a fair profit, but it was also given authority to hold the line against inflationary and unwarranted profits. I say to the gentleman from California if the O. P. A. exercised that authority we would have no fear of an upward spiral in prices and the inflation to which he refers.

Mr. FORD. Will the gentleman yield?

Mr. BALDWIN of Maryland. Yes; I yield.

Mr. FORD. The gentleman makes my point exactly when he says that the subsidies to be paid are only an insignificant amount in comparison with what we would have otherwise.

Mr. BALDWIN of Maryland. The gentleman contradicts himself because he said in his speech that if the subsidy program were abandoned butter would go to \$1.10 and wheat to \$2.50 a bushel. That is not insignificant; that is something that should be stopped by the O. P. A. Nobody in this Congress wants to see prices get out of hand like that, but if O. P. A. exercises the authority given it by this Congress it cannot happen regardless of subsidies or no subsidies.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of Maryland. I yield.

Mr. DICKSTEIN. The gentleman has made the statement that if we pass this bill nevertheless the O. P. A. will have

the power to fix prices and hold the line. Am I correct in my statement?

Mr. BALDWIN of Maryland. Absolutely, in my opinion.

Mr. DICKSTEIN. Without these subsidies you are going to drive every little businessman out of his little store. As a matter of fact they have been doing it for the last year.

Mr. BALDWIN of Maryland. That is because of the way O. P. A. has handled the price-ceiling situation. It was not the intention of Congress that the O. P. A. drive the little man out of business.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for one question?

Mr. BALDWIN of Maryland. In just a moment.

Mr. Chairman, I say we are embarking on a program of subsidies in this country. I wonder what the men who founded this great democracy of ours would say could they come back here to find America in her present prosperous situation, in the middle of a war, but also find its Government selling Victory bonds to pay the food bill of the people? Would they think we were living in a democracy?

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. BALDWIN of Maryland. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. BALDWIN of Maryland. Mr. Chairman, if Congress today has not the courage and the backbone to say to the administration that in time of the greatest income in the history of our country we are not going to issue bonds to pay the food bill of the consumers of the country, how in the name of God are we going to have the courage to say "No" when there may be some just reason in the years immediately ahead of us when the consumers and the laboring people will not have the income they have today to pay their food bills? If and when that time comes and Congress has established this precedent, has not had the courage to say "No" to organized labor today, we are not going to have the courage, in my humble opinion, to say "No" in the days to come. Once it is started it will never be eliminated.

Mr. Chairman, I yield back the balance of my time.

ROLL-BACK AND CONSUMER SUBSIDIES

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this bill is to continue the Commodity Credit Corporation and to discontinue the payment of roll-back and consumer subsidies. I favor the bill.

Price control is one of the methods to combat inflation. From the beginning I have insisted that there must be a control not only of prices but of wages. The President and the administration opposed including wages in the Price Control Act finally approved January 30, 1942. The situation went from bad to worse. There were continued demands for increased wages. In the act of October 2, 1942, the President was directed to control prices as of the level that they

were on September 15, 1942, and he was directed to fix wages and salaries based upon the levels existing on the same date.

What is the record? What are the facts? Total manufacturing pay rolls have increased 15 percent in the past year. The cost of living has advanced only 4 or 5 percent. Roll-back subsidies have been paid on butter and beef. Consumer subsidies are now being paid at the rate of \$800,000,000 a year. They are costly. They are not required. Between September 15, 1942, and September 15, 1943, there was a decline in many food prices. Practically all food prices went down except fruits and vegetables, but wages increased.

INFLATION

As I have indicated, price control was adopted to prevent inflation. It is only one factor. There are many other factors. The 40-hour week with time and one-half for overtime, the 48-hour week with time and one-half for all time over 40 hours, the unprecedented wages and salaries paid in war plants, the increase in wages, are far more inflationary than the increase in prices. Increased production will prevent inflation. Producer subsidies are intended to increase production. They do prevent inflation. But consumer subsidies increase inflation. Increased wages are largely responsible for the \$40,000,000,000 of excess purchasing power. Consumer subsidies will further increase the inflationary tendency. It will add to the excess money. Consumer subsidies operate for the poor man and for the rich man. They are demanded by the labor leaders. They are demanded for the groups that have largely received an additional \$40,000,000,000 in wages.

I am utterly unable to understand how an increase in wages will not cause inflation when it is urged that an increase of a few cents in butter, a penny in milk, will cause inflation. I cannot follow such reasoning.

PRODUCER SUBSIDIES

The labor leaders who insist upon consumer subsidies and roll-backs urge that they are analogous to parities and to conservation subsidies in agriculture. For many years the commodity loans on agriculture were only 50 to 60 percent of the parity price. When soil-conservation payments were made to improve the soils and to build them up to promote production, at the same time, to aid the workers, public works were provided. The Works Progress Administration was authorized; the Civilian Conservation Corps was established; the National Youth Administration was inaugurated. They were primarily for the municipal and industrial areas.

Parities are now no longer being generally paid. Conservation payments have been reduced. They will probably be eliminated. For the year 1943 the profits of the cotton growers will be far less than in the two preceding years. The costs of labor, the cost of production have vastly increased in agriculture, including cotton, while prices are substantially the same as they have been for the past 2 years.

LOOSE TALK

There has been a lot of loose talk about the prosperity of agriculture and the increased income of agriculture. The standard, however, is to compare agricultural increases with labor and industrial increases. Between September 1942 and August 1943 the average weekly earnings of factory workers in manufacturing industries increased, as I have indicated, about 15 percent, or, more accurately, 14.9 percent. During this same period the cost of living increased only 4.6 percent.

The Little Steel formula allowed for an increase in wages of 15 percent in order to take care of the rise in the cost of living between January 1, 1941, and September 15, 1942. Actually, however, during this period the average weekly earnings of industrial workers increased nearly 37 percent, compared with an increase of about 17 percent in the cost of living. In July 1943 the weekly earnings of industrial workers were 51 percent above the January 1941 level, compared with the 23-percent increase in the cost of living.

PRODUCTION

I have indicated that there is a vast difference between production and consumer subsidies. Consumer subsidies mean increased cost of administration, increased taxes, increased control, increased regimentation. They do not benefit those entitled to an increase in price. They go to the processor. Food is essential in the prosecution of the war. There should be an incentive to food production. It should not be deterred. Increased labor costs should be provided for. If subsidies are to be effective they should be made available to the producers so that producers would get the benefit of subsidies and thus increase the production that is essential to win the war.

LABOR LEADERS NOT SATISFIED

It is urged that roll-back and consumer subsidies are essential to prevent increase in the price of wages. Roll-backs are being paid. Consumer subsidies are being paid, and yet John L. Lewis, Philip Murray, and William Green are demanding, and obtaining, increased wages. The argument, therefore, that roll-backs and subsidies are imperative to prevent inflation and to prevent increased wages and increased salaries falls of its own weight.

THE ISSUE

The issue involved is the cost of food. The question is whether the Federal Government will subsidize consumers at the expense of the taxpayers when consumers are able to pay adequate prices for foods. America should pay for what it eats today instead of leaving to the citizens of tomorrow to pay their grocery bills. The roll-back is to place prices at a certain level, but the consumer, who is also a taxpayer, must pay for the subsidy. Consumers who pay no direct taxes will probably pay indirect taxes. Wages have been increased. The roll-back is an additional wage increase. If increased wages promote inflation, so will roll-backs. Money in the hands of consumers, as the econo-

mists maintain, is inflationary. More money will be more inflationary.

It is said that we cannot hold the line without subsidies. We thus admit that the labor leaders are the masters of the United States. They are dictators. I do not believe it is necessary to surrender to labor dictators to "hold the line."

Farm prices are today 10 percent lower than in 1918. Factory wages are more than twice as high. Another comparison is in order. Factory wages per worker are 65 percent higher than in 1929, but the cost of living is about the same.

There is no saving in consumer subsidies. The consumer really loses. The average consumer may save 83 cents on his grocery bill, but the saving is deceptive. The amount so saved will be increased and charged back to him and to our returning soldiers in the form of taxes. I repeat that the consumer today is better able to pay the 83 cents than at any time in the past and probably at any time in the future.

Since 1939 farm income has increased only one-seventh as much as wages and salaries and only one-eighth as much as nonfarm income. If the surplus income is the index of inflation, then those who do not farm are seven or eight times more responsible. They are not only more responsible but they are better able to pay. The real issue is whether consumers will pay for their food out of their income or whether a part of their bill will be paid for by the Government with borrowed money and be added to the public debt to be paid for by those in the armed services and their children.

Consumer subsidies are unlike the tariff. Moneys are collected under tariff. They are appropriated under subsidies. They are unlike the subsidies on copper. The Government is the chief consumer of copper today. The Government is subsidizing itself.

Again, as I have said, there is a difference between consumer subsidies and parity payments. Parity payments were used during the depression to enable farmers to receive increased prices resulting from the ruinously low levels. They were for the benefit of the consumer. The consumer then did not have the money, due to unemployment. While they benefited the consumers, they promoted the production of food and feed.

Farmers at all times prefer fair prices on the markets to subsidies.

The pending bill prohibits the use of funds to roll back prices or to maintain price ceiling adjustments or to maintain a ceiling price below a support price. It does not stop subsidies to encourage the production of strategic war materials. It will not interfere with price supports as required by existing law. The bill forbids the placing or maintenance of a price ceiling below a support price. The War Food Administrator fixes the support price at the levels necessary to get production. The Office of Price Administration is then required to adjust its ceilings to the support price to avoid losses. An exception is made in the

case of oilseeds and vegetable oils in order to get the necessary production.

FIXED INCOMES

I am not unaware that those with fixed incomes are adversely affected by increased prices of food. They are affected by increased taxes. Who would say, therefore, that taxes should not be increased? All legislation results in some discrimination. Those with fixed incomes have sons and daughters to educate, but their sons and daughters are now being called into the armed services. Parents who formerly sent sons to college are now being supported by contributions from the Government because of the service of their sons. I repeat, however, that there will be hardships. War always dislocates. Some suffer more than others. Consumer subsidies will not prevent inflation. They will not promote production. They only increase wages and salaries. They will promote inflation.

While in war all classes may be called upon to pay more for food, while there may be some discriminations, while there are some injustices, the sacrifices at home are not to be compared to the sacrifices of our armed forces in muddy and bloody Italy or in the malarial jungles of the Pacific.

Let us cease controversy over higher wages and higher profits. Let us be worthy of the men who are sacrificing in this great and tragic hour to save America for American institutions.

Daily messages, "Missing in action," are being sent to almost all States and communities. There will be many more of such messages in the hard days ahead. The flower of American young manhood is making the supreme sacrifice. Our bravest and best are determined to keep America free. They are determined that the Government shall be the servant and not the master of the people.

(Mr. WHITTINGTON asked and was given permission to revise and extend his remarks.)

Mr. DONDERO. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, the gentleman from New York [Mr. DICKSTEIN] asked why no one had taken this floor and answered the question: Why the farmers do not want subsidies. They do not want subsidies because they have good memories and have not forgotten the rules, regulations, red tape, and regimentation they experienced on previous occasions that accompanied payments to them, whether they were incentive payments, whether they were adjustment payments, or whether they were parity payments. They have gone through that experience and the reason that the farmers generally throughout the country do not now want these subsidy payments is because they have good memories. All they ask is a fair price in the market place for their products without depending on a check from Washington. No one up to this time has offered any reason why they should not have it.

Mr. Chairman, many months ago the Congress of the United States, anticipating the necessity for legislation to keep living costs in line with wages,

passed the Price Control Act, and I voted for it, setting up an agency with power to establish price ceilings which would effectively regulate living costs.

The Office of Price Administration, with Leon Henderson as its first head, was charged with administration of the Price Control Act. The O. P. A., which acted in a manner which indicated that it was more determined to regiment the American people than it was to enforce the Price Control Act along the lines intended by Congress, soon came into general public disfavor. Despite widespread condemnation of the administrative heads of the O. P. A. and their methods, the Price Control Act was not then, and is not now, in jeopardy. Congress was, and still is, overwhelmingly in favor of adequate price controls and against inflation.

For some time the O. P. A., with the approval of President Roosevelt, has been resorting to a program of food subsidies. This scheme has its root in the failure of the O. P. A. to hold the line as intended under the Price Control Act. Little cracks were permitted in the price-control dam and as time elapsed the little cracks became so numerous that now the entire dam is threatened with destruction. In desperation O. P. A. officials then turned to food subsidies in an attempt to turn the tide. At first, only a few subsidies were established. Since then the subsidy program has been expanded to cover new commodities and only this last week still more subsidy controls were announced. The end is nowhere in sight. Based upon past experience, it is entirely logical to expect that more and more commodities will be brought into the subsidy fold. What started out to be a limited program now promises to become unlimited in scope and involve the expenditure of millions upon millions of borrowed dollars, which in itself, is a major inflation factor.

No domestic policy of the present administration has been more misrepresented to the public than that of food subsidies. The O. P. A., confronted with a complete break-down because of its administrative shortcomings, now wants to jump from the frying pan into the fire. The food subsidy program is being advanced as a bulwark against inflation when, in reality, it contains within itself a powerful stimulus to inflation. Not only will the food subsidy program cost the taxpayers of this Nation untold millions of dollars, adding substantially to our already towering national debt, but it will result in diversion of manpower from essential war production to the administrative personnel needs of an ever-expanding O. P. A. bureaucracy.

Reduced to a few short words, the food subsidy plan is simply robbing Peter to pay Paul—a monetary raid upon the substance of future generations. Future generations not only must repay the millions of borrowed money used for the payment of subsidies, but they also must pay interest upon those millions. Administrative costs, also, will have to be paid. It has been computed by reliable analysts that every dollar paid out in subsidies will cost the people of the United States at least \$3.

If we permit a continuation of food subsidies there is no telling what the ultimate cost of the program will be, but there is the certainty of disastrous inflation at the end of the subsidy rainbow. The advocate of food subsidies, in effect, says: "Although I am working in a period of relatively high wages, I do not wish to pay my grocery bill in full, so why not fix it so that my children and my children's children will pay the bill." Is that the honest and decent thing to do? It is certainly a dangerous thing to do because inflation will be the inevitable reward for such a scheme.

Are we being fair to our fighting men and women when we indulge in such a scheme? Is it honest and decent to ask them to pay the bill for food subsidies when they return from the battle fronts? They are prepared to make the supreme sacrifice, if necessary, and are giving their all that this country may live. Let us do the right thing and face this situation as it should be faced. We ought not be less patriotic than our fighting sons and daughters.

There is one additional point which I wish to emphasize, one that advocates of food subsidies seem to ignore entirely, and that is that the termination of the inflation-laden subsidy program does not nullify the Price Control Act passed by Congress. The Price Control Act, if properly administered in the manner intended by Congress, can be an effective brake against inflation. The advocacy of food subsidies by officials charged with the responsibility of administering the Price Control Act is an unqualified confession that these officials have failed in their obligation to the people.

Let us really fight inflation by a courageous administration of our Price Control Act and by the elimination of every dollar of nonessential Government spending. Let us be honest with our children and be worthy of our gallant fighting forces.

Mr. FISH. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. FISH. Mr. Chairman, I have been endeavoring since last June to have the O. P. A. either remove or substantially raise the ceiling price on corn in order to get it moving from its production source in the Middle Western States to the Northeastern States to feed our poultry flocks and dairy herds.

The milk and egg supply in the Eastern States is being jeopardized by the crackpot O. P. A. and farm regimentation which has resulted in causing a critical shortage of corn for our eastern dairymen and farmers who are being forced to curb production or go out of business.

In my district Franklin D. Roosevelt, of Hyde Park, had to abandon his claim of being a dirt farmer, due to the exactions of New Deal and O. P. A. regimentation, and assume a new title as forester or distributor of Christmas trees. Fifteen miles away another constituent, Henry Morgenthau, Jr., unable to cope with New Deal milk regulations

and the O. P. A. ceiling price on corn, sold his large dairy herd, relinquished his title as a dirt farmer, and became a horticulturist.

The following letter from the Dutchess County Poultry Association, which held its recent meeting at Hyde Park, N. Y., expresses clearly the critical situation of the Dutchess County poultrymen, which is the same in Orange, Rockland, Sullivan, and Delaware Counties. What a tragedy it is, in view of the administration's urging the American people to raise poultry, and when they have complied, corn is not available to feed them, through New Deal blundering.

The letter follows:

DUTCHESS COUNTY POULTRY

ASSOCIATION,

Hyde Park, N. Y., November 18, 1943.

Hon. HAMILTON FISH,

House of Representatives,

Washington, D. C.

DEAR SIR: At a meeting of the D. C. P. A., held the evening of November 17, at the Vanderbilt Inn, Hyde Park, N. Y., it was moved and carried that the secretary write Senators MEAD and WAGNER, and Congressman FISH, informing them of the critical situation now existing in the poultry industry of Dutchess County, because of the shortage of feed, particularly corn.

Many poultrymen, members of our association, are on the verge of being forced to liquidate because of the increasing difficulty in securing adequate feed supplies. These men are aggressive, competent, hardworking farmers, who ask only that something be done to break the bottlenecks in the movement of feedstuffs to the Northeast.

We feel confident that we may rely on you to use your power and influence to the end that we will not be forced to curtail our production of the poultry and eggs our country so urgently needs.

Sincerely yours,

HAROLD W. RABIDON.

Mr. Chairman, I also include the following typical letter from another constituent, along the same lines:

SALT POINT, N. Y., November 12, 1943.

Hon. HAMILTON FISH,

Washington, D. C.

DEAR FRIEND: I am writing you about the feed situation for poultry. I have 300 laying hens. I can't get scratch feed or wheat for my hens. The Government is holding it back. We farmers are asked to produce and the Government ties our hands so we can't produce. Hens have got to have corn to produce body heat. If I don't get some scratch feed soon, I can't keep my hens. Hope you will be able to help me.

Sincerely yours,

TRISTRAM C. VAN DEWATER.

The production of milk, butter, and eggs is rapidly falling off for lack of corn. The American people are facing a food shortage which is becoming more acute every day yet the O. P. A. does nothing about raising or removing the ceiling price on corn. Unless eastern poultrymen get corn by the first of the year many of them will be forced out of business and ruined. The same situation confronts eastern dairymen. It is becoming more critical and dangerous every week. The responsibility rests squarely on the arrogant New Deal bureaucratic O. P. A. and its program of farm regimentation.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. REED of New York. Is it correct that Dutchess County is the home county of the President of the United States?

Mr. FISH. He has claimed for many years to be a dirt farmer of Dutchess County but I have yet to learn of anything he has done to help them. He knows as well as I do the plight of the dairymen and poultry producers of the Hudson River Valley. I know of nothing he has done to make corn available to the farmers of Dutchess County to enable them to stay on their farms and continue to produce milk, eggs, and poultry for the war effort. What applies to Dutchess County applies equally to Orange, Rockland, Sullivan, and Delaware Counties in my new district.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if the debate that has been going on in this Chamber for the past 3 days had been held in any other place except the Chamber of the most deliberative body in the world, I would pronounce it the longest and greatest comedy ever staged. My respect for the House, however, prevents me from indulging in such a characterization.

Never since my membership in the House commenced some 13 years ago have the Members of the House indulged in such reckless, flamboyant, and extravagant language, resorted to such absurd, demagogic, and, at times, in my opinion, highly questionable arguments, or exhibited such political venom. And the membership of this House have not been the only offenders. It looks like the Republican Party, certain hate-Roosevelt Democrats, hate-Roosevelt papers, and hate-Roosevelt pressure groups have ganged up on our Commander in Chief, the President of the United States. The whole performance reminds me of the neighborhood dogs ganging up on some stray dog that happens to show up in the neighborhood. You know the stray dog is tackled by the first neighborhood dog that happens to spy him. The first yelp that goes up seems to be the tocsin of war that brings the other neighborhood dogs out of the alleys and yards; and, without first finding out what the trouble is all about, yes, without rhyme or reason, they join in the assault against the stray dog with all the ferocity their animal instincts can muster. And, I have observed after the fray most of the dogs return to their respective alleys and yards, their tails between their hind legs, and with a dejected look that would indicate they are ashamed of the ridiculous performance into which mob psychology led them.

The question before the House for our determination is an important one. It is worthy of our best and most careful consideration. Outside of our vote declaring war, I doubt seriously if we have had for consideration a question fraught with greater consequences. And yet, instead of the great consequences involved sobering us up, they seem to have fired us up. Instead of the enormity of the problem filling us with a sense of re-

sponsibility and prompting us to proceed with caution, the very opposite appears to be true, and to such an extent that may seem to be filled with such a spirit of rebellion that they either cry out "to hell with the consequences, I am against subsidies," or "to hell with the consequences, I am against Roosevelt."

Why, to such a low level has the consideration of the question descended that I received a special-delivery letter from the Committee for Constitutional Government enclosing a release by a former Member of this House, one Pettengill by name, who still refers to himself as "The Gentleman from Indiana," in which he charges:

The purchase of next year's election is under way. That is what the President's food subsidy program amounts to. We might as well call things by their right name.

Yes, this man Pettengill makes the charge that the President of the United States is advocating the subsidy program, not in an effort to hold the line and keep down inflation, but for the purpose of purchasing the election next year. My colleagues, can you imagine a loyal patriotic citizen of our country, much less a former Member of this House, making such a false and dastardly charge against the President? Yes, Mr. Pettengill, "we might as well call things by their right name," and I here and now brand you and your ilk as dispensers of aid and comfort to the enemy and saboteurs of the morale of our people.

And let me caution those who have set out to destroy Mr. Roosevelt that they had better proceed cautiously lest by their vengeful acts the comedy they now stage turns into a Samson tragedy. Remember it is written:

And Samson took hold of the two middle pillars upon which the house stood, and on which it was borne up, of the one with his right hand, and of the other with his left.

And he bowed himself with all his might and the house fell upon the lords, and upon all the people that were therein.

And all poor old Samson got out of the whole vengeful affair was a pretty decent burial somewhere between Zorah and Eshtaol.

No doubt these self-constituted guardians of constitutional government forget that Mr. Chester Bowles, a sincere, loyal and patriotic hard-headed businessman who has been connected with O. P. A. for years, and who now heads the organization, is one of the chief advocates of the consumer subsidy program. And a sufficient answer to the slimy charge made by Mr. Pettengill is the fact that Mr. Bowles is a Republican, and it hardly stands to reason that he would be in "cahoots" with Mr. Roosevelt to buy the 1944 election for the Democrats.

Having gotten rid of some of the filth, may I for just a few minutes calmly and dispassionately present the issue? Shall we hold the line and thus prevent inflation, or shall we with an abandon born of hate and ill-will break the line and thus open the way to inflation, is the issue, and unless we settle down and face that issue honestly and fearlessly, I shudder at the consequences. Now, as to

whether the passage of this bill will break the line, may, in my opinion, be honestly questioned. There is argument, I admit, without indulging in vituperation and abuse, that it will not. But when my Commander in Chief tells me that in his opinion it will, I believe I should accept his statement as being honest and sincere, and that I should, at least, pause and give consideration to his views. And when the statement of the Commander in Chief is followed by a statement from Mr. Chester Bowles that if we do not carry forward the food subsidy program that the cost of living will advance \$8,000,000,000 per year, which, if true, will force an advance in wages, prices, and rents and thus break the line from one end to the other and bring about inflation, the time has about arrived, it seems to me, for us to forget our prejudices against subsidies which, I have a sneaking idea in some quarters is just a cloak to hide behind in giving vent to ill-will against the Commander in Chief, and vote to hold the line.

There are times, my colleagues, when we are called upon to do distasteful things—things that personally we not only dislike but hate and detest. None of us like war, yet we all voted for it. Why? Because the safety, security, and well-being of our country demanded that we marshal our forces and send our boys forth to battle to save our country from the ravage of the dictators. When the war resolution was before us it was not a question of likes or dislikes; it was a question of country. Many of us, I dare say, honestly dislike subsidies. I know that I do; and yet, when I calmly survey the situation, when I contemplate the ravages of inflation upon my country, I am driven to the conclusion that there is nothing left for me to do but let my dislike for subsidies become submerged by my love of country, pick up the bitter cup and swallow it, and stand up like a true American and vote in the interest of my country. To me this question, like the war resolution, is not a question of likes or dislikes. It is a question of country—and, my colleagues, feeling as I do, I shall vote against the antisubsidy bill.

Yes; I remember the bitter things I have said against the Hendersons and Ginsbergs and other strange-thinking individuals who have been connected with the O. P. A. Yes; I remember the harsh criticisms I have directed against certain of the rules and regulations promulgated by the O. P. A., and be it understood that by my vote I am not retracting a single statement I have made. I was directing my fight not against the law but against the way the law was being administered, and by my vote be it further understood that I am not yet satisfied with the way the law is being administered, and shall continue my fight until it is, in my opinion, administered in the right way and in accordance with the intent of the Congress. In my criticism I have not tried to destroy; I have only tried to improve.

Yet, my colleagues, remembering all I have said and done, I cannot permit the ill-will and prejudice the administration of the law has placed in my mind

and heart to sway me when it comes to the safety, security, and welfare of my country, and the safety, security, and welfare of our country depends not only upon winning the war but also in winning the battle against inflation.

Now let us honestly look the situation right in the face. Back on October 2, 1942, by act of Congress we directed the President to stabilize prices, wages, and salaries, and other things that go into the cost of living as of September 15, 1942. Whether we made a mistake in not taking a different approach to the problem is beyond the question. The President's directive is contained in the act of October 2, 1942, and in that directive we established the line and we directed the President to hold that line. While I know the line has not been held 100 percent I also know that it is humanly impossible to administer the law in such a way as to make a 100-percent record. And I also know, by and large, the President has done a mighty good job in holding the line. Yes; it is true, that in carrying out our directive of October 2, 1942, the President, in order to hold down the cost of living and at the same time encourage production without increasing prices, has been forced to resort to subsidies. Do you know of a better way? The President many months ago challenged us to point out a better way, and assured us if a better way could be pointed out he would follow it. I personally heard him make that challenge, first to a delegation of House Members and Senators and later to a delegation of House Members, and no one on either occasion accepted the challenge, and to this good day, so far as I know, no one has ever attempted to point out a better way. And, so I say to those who are mouthing around, to put up or shut up. Point out a better way or forever hereafter hold your peace.

We are now told by those in position to know that if we will invest around \$1,000,000,000 per year in food subsidies that in all probability the line can be held and inflation averted. Of course, there are those who ridicule the idea that we can invest so little and accomplish so much. In spite of this criticism, I am persuaded that there is something to the plan. You know a small leak in the dam, if looked after in time, can be quickly repaired at small expense. However, if the leak is not looked after in time, but neglected and left to the ravages of the water, it soon becomes a hole that gradually grows larger and larger, until the dam gives way and the waters, no longer under control, rush forth to devastate and destroy. Now, if we permit the cost of living to go up—and I am convinced it will go up if we do not resort to food subsidies—we are permitting a leak to come in our stabilization dam, which I am afraid will grow into a salary hole, a price hole, a rent hole, a wage hole, that will destroy the dam and permit the waters of inflation to descend upon our country. Would it not be better to stop the cost-of-living leak by a reasonable subsidy rather than run the risk of the leak developing into an increase-in-salary hole, an increase-in-price hole, an increase-in-rent hole, and increase-

in-wage hole, because we know if these holes develop the stabilization dam will collapse? Think it over, my colleagues.

If, as proposed, we can spend \$1,000,000,000 per year in food subsidies and hold the line—yes, if we can spend \$2,000,000,000 per year in food subsidies and hold the line, we have, in my opinion, rendered an outstanding service to our country. Prudence and common sense dictate that we, at least, give the plan a trial. Oh, I know we will be charged by the demagog with asking our soldier boys to not only do the fighting but the paying as well; that if we pay food subsidies, the argument will be made that we are forcing our soldier boys to pay a part of our food bill. That argument is not worrying me. Let me tell you what is worrying me. It is this: Having held the battle line and won a great victory, having saved our country from the ravages of the dictator, I am wondering what our soldier boys will say if they return home and find that while they were over there doing the fighting we who stayed at home became so involved in factional fights, so embittered by political considerations, that we forgot all about the security and welfare of our country, turned against our Commander in Chief, and under the excuse of saving a few billion dollars to the Federal Treasury, failed to hold the home line, let down the flood gates, and permitted inflation to ravage the land they were fighting to protect. And think that over, my colleagues.

And, my colleagues, we established a line that was supposed to cover our whole economy. One point in the line is known as the cost-of-living point, another the salary point, another the wage point, and still another the price point. These different points were links in the line chain, and the line chain is no stronger than its weakest link. If we permit the link in the line chain known as the cost-of-living link to snap in two, just ordinary common sense tells us that it is then just a question of time until every link in the line chain will snap in two. It is about time, do not you think, for us to calm down, forget our likes and dislikes, our hates and prejudices, and use just a little ordinary common sense. And think that over, my colleagues.

My colleagues, Congress established the line. It directed the President to hold the line. Now, will the same Congress that established the line and directed the President to hold the line, refuse to give the President the tools he finds necessary to use in carrying out the job Congress imposed upon him? And think that over, too, my colleagues.

As for me I am not going to be a party to employing a workman to do a job and then refuse to supply him with the necessary tools. I am going to vote to give the President the tools he has asked for.

(Mr. FLANNAGAN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WEISS. Mr. Chairman, I move to strike out the last seven words.

Mr. Chairman, subsidies are a very perplexing problem little understood by the American people. Most of us know it has something to do with grants.

Subsidies are nothing new to our American economy, and by subsidies we have been able to stabilize our home economy in times of peace, and certainly they are more worthy of consideration in time of war to stabilize the cost of living on the home front.

After listening to the arguments here, I note that some of these same arguments were made in the British Parliament, and it would behoove every Member here to refer to the British Price Control Act and the fourth report of their select committee on national expenditures. I want to quote from that publication.

In those debates it was said that the cost of subsidies for home-killed meat would run \$1,600,000 a week—that is, £320,000 a week. The actual cost the first year of operation was \$80,000,000. The very same arguments have been advanced regarding the cost of subsidies in the well of this House.

Referring to some of the statements made by my distinguished colleague, the gentleman from New York [Mr. TABER], that many of the telegrams in support of subsidies are from irresponsible people, may I state that I also have received many telegrams, including one from M. W. Sparr, one of the finest citizens of the city of Pittsburgh, and a Republican, by the way, who is president of the Allegheny Federation for the Blind. He represents about 100 blind folks, and he pleads with me to support subsidies. Another telegram I received is from Dr. Harold C. Clausen, of the city of Pittsburgh, one of our outstanding Presbyterian ministers, who is also a Republican. I always respect his judgment, as do all of the people of our great county. He wants me to support subsidies. That is the kind of telegrams I have been getting.

While we do not always agree with the President of the United States, his courageous fight against inflation has won the support of the masses of American people. His first major step in holding the line was his veto of the Bankhead bill. Let us peruse his vigorous anti-inflation statement made at that time, called a "hold the line" order:

To hold the line we cannot tolerate further increases in prices affecting the cost of living, or further increases in general wage or salary rates except where clearly necessary to correct substandard living conditions. The only way to hold the line is to stop trying to find justifications for not holding it here or not holding it there.

No one straw may break a camel's back, but there is always a last straw. We cannot afford to take further chances in relaxing the line. We already have taken too many.

The word "subsidies" is an ugly one. In normal peacetimes, I would be unalterably opposed to having subsidies applied to our economy. However, we are now engaged in war, fighting for our own preservation. The demands of war are heavy and the drain on our food supply is a serious problem. We must not only supply the food for our armed forces, but we must aid our allied comrades in arms. In addition to supplying the necessary foods for our own consumption, we must also aid in furnishing food for our stricken allied civilians. To

satiate the demands of war with respect to food we must grant our farmers all of the necessary inducements to produce the desired crops, distribute the produce fairly through the established channels of distribution, and bring the produce to the retail shops at the rationed price and in the promised amount. The order of the President recognizes that the farmer may be given "support prices, subsidies, or other inducements as may be authorized by law and deemed necessary to maintain or increase production provided that such action does not increase the cost of living."

LET GOVERNMENT PURCHASE ENTIRE CROP

There is no reason in the world why a higher price, if it is necessary, should not be paid to the farmer and the difference covered out of Government funds. The chief objection, by the farm bloc, to accepting subsidies, as has been evident in recent debates on this vital measure, is that the New Dealers have a tendency to attach meddlesome conditions. This objection can be met—just as easily as Canada and England have met this vital issue. "Instead of paying subsidies to farmers, let the Government buy the whole crop at the economic price, and then let it resell to the private distributors at the O. P. A. price that part of the crop which is for civilians. The difference between the two prices should then be written off as part of the costs of the war."

This would seem in the minds of our leading economists, to be a constructive solution to the problem. The Government is already buying for the Army, the Navy, and lend-lease a sizable proportion of the same products which are being rationed to the civilians. It cannot be much more difficult administratively, and, in fact, it may be more simple in the long run, to buy the entire crop. This does not mean that the Government would go into the food business. The civilian supply it should at once resell on an equitable basis—on the principle that each existing business firm should be allowed to buy at the O. P. A. price its pre-war proportion of the whole supply.

This method does more than solve the problem of how to keep consumer prices down while paying farmers proper inducement. It is the most effective method of making rationing work in that instead of relying on ceilings announced by fiat and backed by jail sentences and fines, the Government which allots to the distributors can, by threatening to withhold the allotment, compel them to maintain the ceilings. When the Government is supplying distributors with food at fair prices, the Government has the right and the power to compel the distributors to sell at fair prices. This removes the main cause for the black market. England has been highly successful in holding the line on the cost of living and in preventing black markets. There is no reason why we cannot adopt the same system.

RAYMOND CLAPPER, WALTER LIPPMANN, ERNEST LINDLEY, DOROTHY THOMPSON SUPPORT SUBSIDIES

Fulton Lewis, Jr., radio commentator with a great following—and men like

him—in continually telling the American people that subsidies—nothing new to American life—are hand-outs and that the administration is attempting to buy its way into the 1944 elections is doing a great disservice to his country. His type of propaganda is just as dangerous as that of Herr Goebbels.

- Yet, on the other hand, we have Raymond Clapper, Walter Lippmann, Ernest Lindley, and Dorothy Thompson, world renowned columnists who have frequently criticized this administration's domestic policy and who cannot be said to be proadministration, all in favor of subsidies as the only approach in this war to the solution of the inflation issue. For my part, I fully subscribe to the clear-cut logic advocated by these impartial columnists rather than follow the illogical propaganda of Herr Fulton Lewis, Jr. It appears to me that Herr Lewis is a hatchet man for some group or political party. Who?

CONGRESS FAILED

The dignity of Congress must be preserved. To date Congress has miserably failed in its responsibility to roll back prices and to hold down the cost of living with the result that administrative agencies have bypassed Congress. In its dealing with this vital problem of inflation, at best Congress has proved a cumbersome and ineffectual body. It has been hostile, either deliberately or through the inability of a great many of its Members, to understand what the control of living costs require. Indeed Congress has become on its own account a dangerous inflationary force, partly by its failure or inability to act, partly because of the direction of the few actions it has taken. Do Members of Congress value the return of World War No. 1 prices that will skyrocket the cost of living? Are we willing to sit by and let the prices of sugar run up to 36 cents per pound, onions 19 cents per pound, potatoes \$1.17, eggs \$1.25 per dozen, butter \$1.02 per pound, and from 50 percent to 100 percent increases on the cost of meats and other foodstuffs?

I plead with the House to rise to the same degree of nonpartisanship and statesmanship it has exemplified on many other important war measures. Let us continue the life of the Commodity Credit Corporation and provide for wisely administered subsidies to help stabilize our economic front and to hold the line on the cost of living.

Mr. BARRY. Will the gentleman yield?

Mr. WEISS. I yield to the gentleman from New York.

Mr. BARRY. I want to point out to the gentleman that many of the Members opposing this bill are not opposed to subsidies during peacetimes because on October 2, 1942, they passed a bill to guarantee the farmers 90 percent of parity through subsidies for 2 years following the war.

Mr. WEISS. The gentleman is absolutely correct.

If we can authorize the expenditure of two hundred and fifty or three hundred billion dollars to kill people and destroy property, we certainly can authorize the appropriation of eight or nine

hundred million dollars to stabilize our economy on the home front.

Mr. Chairman, for my part I am going to support the President and the administration's policy on subsidies and I shall vote in favor of the minority report filed by the House Committee on Banking and Currency.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. WEISS asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. BROWN of Georgia. Mr. Chairman, we have consumed 1 hour on section 1, which is not controversial. Section 3 is the controversial section and we should have ample time to discuss it.

Mr. Chairman, I ask unanimous consent that all debate on section 1, and all amendments thereto, do now close.

The CHAIRMAN (Mr. COOPER). The gentleman from Georgia [Mr. BROWN] asks unanimous consent that all debate on section 1 and all amendments thereto do now close. Is there objection to the request of the gentleman from Georgia [Mr. BROWN]?

Mr. BOREN. Mr. Chairman, I object.

Mr. BROWN of Georgia. Mr. Chairman, I move that all debate do now close on section 1 and all amendments thereto.

The motion was agreed to.

The Clerk read as follows:

SEC. 2. Section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended by changing the designation thereof to section 7 (a); by striking out in the first sentence of such section "December 31, 1943" and inserting in lieu thereof "June 30, 1945"; and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: "Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business."

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided*, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further*, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of 1 fiscal year: *Provided further*, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however*, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor."

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General;

Provided, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

Mr. SPENCE. Mr. Chairman, in order to facilitate the consideration of this bill, I hope my colleagues will refrain from offering pro forma amendments to this section and will wait until section 3 is read to offer their amendments, when ample time will be available for debate.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask our acting chairman if it is his plan to allow a considerable length of time under section 3 for both formal and pro forma amendments to be debated?

Mr. SPENCE. That is subject to the will of the Committee of the Whole. The only reason I make this suggestion is that we have not yet come to the meat of the subject.

Mr. CRAWFORD. It is my understanding that a number of Members are concerned about whether or not they are going to have a chance to speak on the bill. They are afraid that a motion may be made to close debate.

Mr. SPENCE. As far as I am concerned, I should like to see ample time allowed for debate, if the Members will let us go on to section 3.

Mrs. BOLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have before us a bill to continue the Commodity Credit Corporation. There has been little if any argument made against the Corporation on this floor. Agreement as to its value is general. It seems particularly unfortunate, therefore, that there should have been intruded into it the very controversial issue of subsidy payments. It is also to be regretted that no compromise measures were made possible at this point.

The situation facing many of our people whose incomes are fixed, who have not benefitted by the high wage scales of war, begins to be serious. Their need is very real—typically it is one that is being used to becloud the vital issues. Difficult as our position may be, we must not permit ourselves to look at the immediate present only, as they would have us do.

The country is being told that there must be these subsidy payments if food prices are to be held, that Congress will be wholly responsible if the grim spiral of inflation starts its devil's dance. We have heard that argument even here on this floor. The country is not being told that subsidies are as truly an inflation measure as anything that could be done to us as a Nation. Once begun there is no end. Free corn to the Romans and free circuses was the death knell to Rome. We have also been told that something called politics is behind the opposition to the only method the administration sees fit to use in its inadequate efforts to control living costs. Is there no politics behind the all too successful efforts being made so consistently to hang upon Congress all the bad results of mismanagement, of vacillating policy, of inadequacy and theoretical ineptitude? Faced with what appears to be the inevitableness of inflation it can be readily understood that the administration looks for a scapegoat lest the people awakened to a realistic attitude toward its failure to take a strong position 2 and even 3 years ago. That scapegoat is to be the Congress.

The situation in which we now find ourselves is the direct result of weakness, of temporizing with reality. No amount of camouflage will hide the cold facts from the people permanently. Rather will it prove to be a clear trail back to the real source of inflation and the breakdown of our national economic structure, a boomerang such as we have never yet seen.

But that is small comfort for those who will go hungry as prices rise, as they inevitably will whether we vote this subsidy up or down unless we have strong controls courageously applied. That they have been misled into believing our officials able to cope with the results of 3 years of mismanagement is readily understandable, because it still masquerades in pretty clothes. That they may turn upon Capitol Hill in their anger is probably just as inevitable. Blinded by present need, they will not see that the results of this subsidy plan will be more and more subsidy that will be as mad a spiral of inflation as any other that could be devised.

What reason is there to suppose that the methods of this subsidy plan would differ from the methods of the N. R. A. and the A. A. A.? Control of one commodity must inevitably lead step by step to the control of all. A controlled economy may be the ultimate goal in the minds of those wanting subsidies, but such an economy is not to be tolerated by true Americans.

Proponents of the subsidy plan have been able to focus the general attention upon it and it alone. But the real picture is a far broader one. Price control—the control of living costs—involves a very much larger field beginning with the planting of seed in the ground, continuing through harvest, reaching out through distribution to final consumption. The philosophy of scarcity forced upon us earlier by the New Deal plays its realistic part in the cost spirals of today. Waste of taxpayers' money, over-

purchasing of foods by the Government and the consequent tight markets, and spoiled food, and above all the complete lack of over-all planning both in military and civilian fields all play their part in the creation of the tragic situation in which a large part of our people are now caught.

That help should be given those who are caught between the upper millstone of taxes and increasing costs and the nether millstone of fixed low incomes, we are surely agreed upon. There are several excellent plans suggested already placed in the RECORD during this debate. Several of these attack the problem with clarity and directness and have much to commend them. Subsidy is not the only answer to the immediate crisis. The refusal of those responsible to consider other methods should not go unnoticed. Nor should we permit ourselves to fail to point out to the people again and again the fact that subsidy of the grocer's bill must be paid for in taxes that actually exceed the amount remitted on food costs. Starting the spiral of subsidy inevitably starts the tax spiral which will overshadow our children's children.

Never in the long history of mankind have two wrongs made a right. Tragic as the situation is which has grown from the failure of one economic experiment after another, I cannot justify a vote for this subsidy plan believing as I do that it would accelerate the ultimate pyramiding of costs.

Mr. SPENCE. Mr. Chairman, the committee has no desire to prevent anybody from having ample opportunity to debate this bill, but we feel that debate on pro forma amendments to section 2 should now close. Members will have ample opportunity to discuss the question after section 3 is read. I hope they will agree to close debate on section 2 at this time, and I ask unanimous consent that debate on section 2 and all amendments thereto do now close.

The CHAIRMAN. It might be appropriate for the Chair to advise the gentleman that he is informed by the Clerk that there is one amendment on the desk to section 2 of the bill.

Mr. SPENCE. Of course, we have no objection to a bona fide amendment.

The CHAIRMAN. The amendment seeks to insert a new section following section 2 of the bill.

Mr. SPENCE. We ask that that amendment be now considered.

The CHAIRMAN. That would not close debate on the pending section. The gentleman from Kentucky asks unanimous consent that all debate on section 2 and all amendments thereto do now close. Is there objection?

Mr. WOLCOTT. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Do I correctly understand that there is at least one amendment to section 2 in respect to the subject matter of section 2?

The CHAIRMAN. The Chair upon examining the amendment more closely finds that it is an amendment to insert a new section following section 2. Of course, the pending request would not affect that.

Is there objection to the request of the gentleman from Kentucky?

Mr. PACE. Reserving the right to object, Mr. Chairman, some of us who have not had an opportunity to speak generally on the bill will, when we reach section 3, under the rules of the House, be confined to addressing the Committee of the Whole only one time on a particular pending amendment. Would there be an opportunity for Members to make general remarks on the bill and later address the Committee on any amendment that might be pending to section 3?

The CHAIRMAN. If the gentleman can obtain recognition, he can speak to every amendment offered to section 3, if he so desires.

Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BOREN. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOREN. Mr. Chairman, I had intended presenting a motion to strike out the enacting clause of this bill because in my considered judgment, after carefully weighing both the benefits and the evils in this program, it is in the Nation's interest to put an end to the Commodity Credit Corporation. I will not now present that motion because a survey of the situation makes it clear that such an effort would be futile at this time.

The Commodity Credit Corporation in the course of its life has done some good things, but its virtues do not outweigh its vices. It stands as a dictator over every farm and farmer. Benevolent despots may do some good things, but I want no despot nor despotism in America, benevolent or not.

The Government corporation is in the no man's land of Federal finance. The theory that gives it life justifies careful scrutiny in the sense of fundamentals.

In the first place, this Corporation is a State corporation. It is incorporated in a State and under State laws and is not a Federal corporation at all. There are a multitude of things that could be pointed out objectionable about the Corporation, but I choose to devote my remarks to two points.

First, my own opinion of subsidies is that the very thought of subsidy is fit only to subsidize. It is, in my studied judgment, an absolute fallacy to substitute debt inflation for price inflation.

What possible logic could there be in saying that this subsidy will keep butter from being raised 5 cents a pound, but it will add 5 cents to your taxes? It will keep canned vegetables from being raised 1 cent per can, but it will add 1 cent for every can of vegetables to your taxes. It will keep the price of sugar from being raised 1 cent a pound, but it will add that 1 cent to everybody's taxes.

This program says to the purchaser, "Now, everybody that buys a can of peas will pay 1 cent a can less, but everybody in the Nation will be taxed to pay

that cent whether they buy canned peas or not." They will be taxed to pay that 5 cents on the pound of butter whether they buy butter or not. If you buy 4 pounds of butter, you will save 20 cents on the purchase. If I buy 1 pound of butter, I will save 5 cents on the purchase, but then you and I will be taxed equally to pay that 20 cents for you and that 5 cents for me.

Mr. Chairman, I have before me the letter of the president of the C. I. O. in which he charges that an unsubsidized market will operate for the personal profit of special interests. The American farmer is that special interest he is talking about. Of course, the American farmer will not himself get this subsidy money. This is not a subsidy to the farmer. It is a subsidy to the consumer. The processor gets the check. The consumer gets the reduced purchase price and the farmer gets what he has generally received—nothing in a big empty sack.

No, Mr. Chairman, I do not want to vote another bond issue in order that John L. Lewis' pound of butter will cost him a nickel less. Let John L. and his crowd pay their own grocery bills. Uncle Sam has enough to pay when Uncle Sam pays for the war. Let us not call on Uncle Sam to pay everybody's personal grocery bills. I do not want to vote another bond issue to maintain a vast army of hirelings to busy themselves with regimenting and regulating the American farmer.

Let me read to you what a farmer down in Lincoln County, Okla., has written to Mr. Wickard on this subject. He says:

On November 4, I received a letter from the Oklahoma, Lincoln County, A. A. A. that it will pay me 6 cents per pound for butterfat. Looks well timed. Is it an effort to appease the farmer and the consumer just now? Is it an effort to work both ends against the middle? Is it a political movement to whip Congress in line? Is it an effort to keep alive the A. A. A. and burden us with scores of pap-suckers?

Evidently, according to your local A. A. A., I'm entitled to 6 cents more for my butterfat. If so, why not let me receive my money over the counter where I sell it, rather than wait a month, and be paid through the United States Treasury, through a State organization, and through a local A. A. A.? Why all the red tape? Why all the extra expense? Why all the waste of manpower? Isn't your plan hidden inflation? Isn't it an effort to hoodwink the public? Doesn't it add expense to expense and interest on top of all that? If you permit the operators to pay the miners without a bureau for intervention, why should we farmers need an intermediary to act for us? We are 21 years of age and need no political hand-outs.

I'm a poor farmer, and God knows that I need the money, but, brother, I'm not going to sell my freedom, have my lips closed, and be made a cringing slave. I positively refuse to have a part in what appears to be a movement to establish socialism in our country. I'll fight Hitler, and I'll fight those who try to overthrow our constitutional form of government.

Now, that farmer is a man of sense. What he has said is truth.

Mr. Chairman, the question of subsidy has been much debated here. The argu-

ments for it have limped in on their crutches and, under the light of the sound reasoning against subsidy, have been wheeled away to the funeral of proposals that cannot live in the light of reason. Suffice it to say that, in my opinion, the man who advocates the subsidy on the grounds that this general tax on everybody to keep down the living costs of a few by removing a pound of price and substituting for it a pound and a half of tax—the man who advocates that program, in my judgment, is a Judas betrayer of reason.

Mr. Chairman, I am not satisfied with the perpetuation of this corporation even without subsidies. I know that those who have gained privilege and benefit from its existence will not look with favor upon my stand. I know that it takes a hard-headed brand of courage for any Member on this floor to stand up when my motion is voted on, but if ever our Nation needed a courageous Congress, it is now. We have seen on every hand the American way of life being abandoned and a system of regimentation and bureaucracy supplanting the old American system of freedom, free enterprise, and governmental institutions controlled by the people. I am a freedom-loving, tyranny-hating man. I cannot submit to the chains of bureaucratic control, nor see the irons of regimentation and autocratic and even capricious regulation be manacled on the citizens of this great country.

My particular charge against the Commodity Credit Corporation is that this corporation has defied the law. This is the second point of major consequence that I want to present for your consideration. On July 31, 1943, the Commodity Credit Corporation sent the following wire:

WASHINGTON, D. C., July 31, 1943.

ARDMORE COTTON OIL MILL,

Ardmore, Okla.:

War Food Administrator issued C. C. C. Order 5, effective August 1, 1943, requiring every processor to set aside for sale and delivery to the Corporation, without regard to the rights of creditors, existing contracts, or payments made, all soybean, cottonseed, and peanut cake, meal, and pellets which he owns or has under contract August 1, 1943, and all soybean cake, meal, and pellets which is produced by him on or after August 1, 1943, from soybeans grown in the calendar year 1942 and cottonseed and peanut cake, meal, and pellets produced by him from cottonseed and peanuts grown in the calendar year 1942 which he owns or has under contract August 1, 1943. This Corporation will accordingly issue an offer to purchase from you at the ceiling prices applicable under the 1942 program all cake, meal, and pellets covered by C. C. C. Order 5. By this offer you will be authorized to make sales and deliveries for the account of the Corporation at the new ceiling prices and differentials established by the O. P. A. effective July 31, 1943, which on cottonseed meal prime 41 percent protein in bulk is \$47 per ton, lower grades 75 cents per unit of protein lower. Price 43 percent protein bulk meal \$49 per ton f. o. b. cars at all mills in Oklahoma. Loose slab cake 75 cents per ton lower than bulk meal of same grade and on peanut meal 45 percent or more protein in bulk \$50 per ton f. o. b. cars at all mills, loose slab cake 75 cents per ton lower. Sacked differential above bulk meal on both cottonseed and peanut meal is market value

of bags used and all less than carload prices \$1 per ton higher than carloads.

COMMODITY CREDIT CORPORATION,
C. C. FARRINGTON, Vice President.

This wire is a violation of the law. Read the law and you will find a specific prohibition on what this wire did—paragraph E-2, exception and proviso, page 4, Public Law 421. A vote to continue this Corporation sanctions their actions. We cannot afford to let bureaus operate above or outside the law. Many bureaus have usurped the law-making powers of Congress, and some have usurped also the Executive's powers and the judicial powers which the Constitution delegates to the courts. The bureau is the usurper, the despot, the dictator that must be dethroned or constitutional Government is lost to America.

Let us examine further what this wire means. This wire means that the Commodity Credit Corporation does not have to come to Congress for appropriations. It means that they set themselves up as a law unto themselves with the power to corner the market on any commodity and to buy and sell for profit. Notice that the wire said every processor must set aside for sale and delivery to the Corporation without regard to the rights of creditors, existing contracts, and so forth. Under the Commodity Credit's order, for example, cottonseed cake that had been selling for \$41 a ton was raised in price to \$54 a ton and the dealer was ordered to remit the balance to Commodity Credit Corporation. What did Commodity Credit do with the swag? The thing they did is the same as what Al Capone did. They said, "On every ton of cake you charge so much and give so much to me." It was racketeering pure and simple. Mr. Hutson himself says that they purchased and sold for profit.

	Tons purchased and sold	Gains
Soybean cake and meal.....	253,564	\$2,613,540
Cottonseed cake and meal.....	18,370	175,049
Peanut cake and meal.....	6,133	84,688
Total (profit).....	278,067	2,873,277

I am advised by the Texas peanut producers that the farmers are being paid \$140 a ton for their peanuts by Commodity Credit and Commodity Credit was charging the shelling plants \$170 a ton. What did they do with that \$35-a-ton profit? What is more fundamental—under what possible logic had the Commodity Credit any right to become a profiteer on the farmer?

All of this program of holding down the prices that the farmer gets from his production is supposed to provide him with an incentive to produce more.

When I look at the performance of the Commodity Credit Corporation, I would appraise it as a comedy if I did not realize that the paying public has this Corporation on its back as a burden and so the performance is a tragic farce.

Mr. Chairman, the theory that holds that a bureaucrat downtown can, on his own unrestrained and unguided judgment through the power of an edict

from his own hand, seize control of the entirety of a product, and, subject to the whims of his own capricious will, manipulate the prices of that product to the extent of raping the public pocket of millions of dollars, is a theory intolerable in a democracy and inconsistent with the principles of the American Government.

We have heard a lot about "four freedoms." The motion I have just made provides an opportunity for you to vote for a "fifth freedom"—freedom from bureaucracy. In that freedom is lodged a whole library of titles to liberty. Let us give intelligent thought to the encroachment of bureaucracy on our rights and freedom. Let us face the challenging fact that this is our problem and we must solve it with action.

Bureaucracy is no longer an overgrown departmentalism. It has become a new concept of government. A concept that rests on the pernicious doctrine of implied powers. A concept that envisions a government of men to supplant our government of law. A concept that holds that government should be master, not servant, of the people; that holds that the government should control the people instead of the American philosophy that the people should control the government. A concept that holds that men should have the power to regiment and regulate us. To control our every enterprise and activity at the behest of their own unguided judgment and unrestrained and capricious whim or will.

Bureaucracy is a maze of amazement, a jungle of jumbles. Tons of pamphlets from Government presses grind out the unsolvable puzzles from umpteen thousands of pee-wee minds of bureaucrats in the vast caboodle of bureaus.

We cannot afford to let government regiment agricultural endeavor, and bind and chain the farmer.

Bureaucracy is jeopardizing both our prosperity and our liberty. The bureaucrat has us all in a strait jacket. If his edict were law, he would have succeeded in making criminals of us all.

All the money in the world would not make a decent down payment on what bureaucracy has cost us.

You know what the farmer ought to plow up? He ought to plow up the Department of Agriculture. He ought to plow up the Commodity Credit Corporation, plow them up and plow them under. A vote against subsidy is a vote against bureaucracy in its malicious form. A vote against subsidy is a vote to stop racketeering. It is a vote for free enterprise. It is a vote to protect the people from a great new weight of debt.

Since the parliamentary situation makes it clear that we cannot now abolish this bureau we can at least restrain it from spending impossibly huge sums of public money through subsidies. We can forbid subsidies and save the American people from another great weight of debt.

Mr. KELLEY. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. Mr. Chairman, the organized farmers in their opposition to the consumer subsidies have had many advocates in the last several days. The organized industrial workers, along with unorganized farmers and other wage earners—postal employees and white collar workers—numbering more than half of our population, have had few advocates up to the present time.

Are these people to be forgotten by this Congress in their extreme desire to suffer no advance in living costs? Are they to be so forgotten by the Congress that they will become the victims of inflation similar to what took place during the First World War?

I am irrevocably committed to supporting their interests and striving my utmost to prevent their becoming the unjust and unwilling victims of such economic disturbance. The prevention of inflation is a secondary war measure. It is the duty of the Congress to put into the hands of the administration all of the measures and instruments that are necessary to keep our economy stabilized for the interest of the people and for the financial advantage of the Government. There is no one in Congress, or out of Congress, who can say that the passage of this bill will not prevent inflation. The most that they can say is that it is doubtful. And now is not a time to pass doubtful legislation.

To permit the rise in the cost of living as is sure to take place if this bill is passed in its present form seriously will affect the morale of a large number of our people, and that will be reflected in the morale of the members of the armed forces, which is directly affected by the morale back home.

To me there is no excuse for anyone's taking any other viewpoint than that the passage of the present measure will loom up as a specter to confront its supporters when inflation takes place.

I will support the administration in its efforts to control prices, and attempt to put into its hands all of the instruments and weapons that are necessary to stabilize the cost of living.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 4, after line 21, insert:

"SEC. 2A. Whenever the board of directors of the Commodity Credit Corporation determines that there exists in any area of the United States a shortage of feed for dairy cows, beef cattle, and poultry, the Corporation is authorized and directed to acquire, or to release from its stocks, corn and other feed for distribution for feed for dairy cows, beef cattle, and poultry in such area. Such distribution shall be made in such manner, at such prices, and subject to such terms and conditions as the board of directors of the Corporation shall prescribe."

Mr. SPENCE. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, may I have an opportunity to speak on the amendment?

The CHAIRMAN. Is the gentleman from Kentucky willing to reserve the point of order?

Mr. SPENCE. I reserve the point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I regret that a point of order has been made against this amendment, because it is the one opportunity this House has to solve the most serious food shortage the country will ever see or ever know. Five thousand years ago the Egyptians, starving after 7 lean years, called for Joseph to open up the storehouses and the granaries and feed the starving people. Today, Mr. Chairman, we have had ample warning of the failure of the Office of Price Administration to release corn and other feeds, not only to the dairymen of upstate New York and to the poultrymen, but to the beef-cattle feeders and feeders of livestock over the whole country.

Unless some solution is brought forth, the metropolitan districts throughout the country, the consumers, the members of the armed forces, and all those other nations we are pledged to feed, will be faced with the most serious and critical situation that can possibly be imagined.

I am appealing not necessarily in behalf of the farmers of my district but also for the consumers, for the people throughout the metropolitan sections of this country, and I am appealing to this House to consider the feasibility and the wisdom of selling corn and other feeds in the areas that must have it.

As I have stated, I am sorry that a point of order was made against this amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield briefly.

Mr. COOLEY. May I suggest to my friend that he address the Chair on the point of order, because I hold to the opinion that the amendment is not subject to a point of order. I believe the gentleman should insist that his amendment is in order, because if the Commodity Credit Corporation is not going to be permitted to do the thing the gentleman wants to authorize it to do, then I submit the members of the committee do not understand the bill they brought in here.

Mr. EDWIN ARTHUR HALL. I thank the gentleman.

Mr. Chairman, unless the House adopts some sort of amendment like this, the people throughout the country in the metropolitan districts, regardless of the prices they are called upon to pay for food, are not going to have any food at all, because the Administration has refused to allow corn and other feed to flow and to be distributed into sections where dairy cattle, poultry, and beef cattle are being raised and being fed. It is one of the most disastrous, one of the most disheartening, and one of the most deplorable situations this country has ever come upon or ever been presented with. I hope that some measure can be designed to save the situation, and I serve notice on this House now that unless we solve it today people in the gentleman's district, the people

throughout New York City and the people throughout every other metropolitan district in this land are going to face starvation. The men in our armed forces are not going to be able to carry on this greatest of all struggles if the food is not forthcoming. The only way we can raise this food is to supply the dairy cattle, beef cattle, and poultry and other livestock of this country with the proper feed in order to produce the food that must go into the gentleman's district and must go everywhere throughout the country to feed our patriotic American population, no matter how high the prices for food go. No matter how much the people are called upon to pay for food, what good is it going to do, what good is it going to do, I say to you, if there is not any food to buy? You can talk all you want to, but that is the one issue we face in this House today. Let us get the corn and the feed into the areas where it should be placed and save America from famine.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I desire to withdraw my point of order.

The CHAIRMAN. The gentleman from Kentucky withdraws his point of order.

Mr. SPENCE. However, we consider this amendment a dangerous amendment to adopt without full consideration.

[Mr. SPENCE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know the gentleman from New York [Mr. EDWIN ARTHUR HALL] knows with what reluctance I rise in opposition to his amendment because I know he has a very noble and worthwhile purpose in mind, and we all wish that what he desires could be brought about.

However, we are confronted with this situation: This is a bill designed primarily to stop the payment of consumer subsidies. The committee has had to be very meticulous in the use of its words, in order that we would in no manner interfere with the producer-subsidy program, the support-price program, or any other program which has been set up, including any program under the Price Control Act for the purpose of obtaining the maximum amount of production. I understand the amendment offered by the gentleman would direct the Commodity Credit Corporation, if it finds a shortage of feed, to acquire stocks of feeds and distribute them to the feeders of livestock and poultry. They already have, under existing law, not only the right to buy but the administration obligation, if necessary, to obtain the maximum amount of production. There is nothing whatsoever in this bill—and I hope there will be nothing written into this bill—to amend or modify or in any other manner affect the operation of subsection (e) of section 2 of the Emergency Price Control Act of 1942.

I wish the Committee would have in mind that the President is authorized

to designate any other agency of the Government that he sees fit to administer the provisions of the price-control bill. Under subsection (e) of section 2 of the Price Control Act, the President could, if he saw fit, notwithstanding any provisions in this bill, designate the Commodity Credit Corporation to buy all the feed which was necessary and distribute it virtually for nothing, if, in his judgment, it was necessary to obtain the maximum amount of production.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. No. Not at this time. There is nothing in this bill which would prevent the operation of any existing law to obtain the maximum amount of production. I do not think we should start writing directives into this law to further tell these bureaus that they must administer laws which are already on the statute books. That is my objection to it. If we write in here a directive that the Commodity Credit Corporation, or the administration shall obey the law, then, of course, we have a right to expect that the dairymen will be here, the meat men will be here, the corn-hog men will be here, the bean growers and the sugar-beet growers will be here, asking for specific directives to enforce the Sugar Beet Act, the Bean Act, and other provisions in the Commodity Credit Corporation law, section 32 of the A. A. A., and all other provisions of law, which we have set up in order to authorize the payment of subsidies, the purchase of commodities at a high price and sale at a less price, if it is necessary to obtain the maximum amount of production. For that reason I have to appose this amendment and hope it will not be adopted and that no similar amendment will be adopted to defeat the purpose of section 3.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my purpose in rising is not to oppose what the gentleman has in mind in offering this amendment, but to advise him and the membership of the House that I have prepared an amendment to section 3, which I think is more appropriate, legislatively, and which will accomplish his purpose.

I am very much in favor of what the gentleman has in mind. I hope if his amendment is defeated that you will support the amendment which I will offer in the appropriate place, providing that the Commodity Credit Corporation shall have the power under the exception in section 3 regarding vegetable oils, to move feed of this kind into areas where it is needed.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. CRAVENS. Does the gentleman propose to read his amendment at this time, so that we may understand it?

Mr. HAYS. My amendment is very simple. It simply adds on page 6, line 2, the words "or livestock feed" after the last word in that line.

Mr. WRIGHT. Will the gentleman yield?

Mr. HAYS. I yield.

Mr. WRIGHT. The amendment offered by the gentleman from New York and your amendment, merely adds "feed" as a commodity, to vegetable fats and oils, on which a subsidy can be paid? Is that true?

Mr. HAYS. Yes. I should say in order to be entirely fair about it, it would amount to a subsidy. It is directed to the reduction of transportation expense. That is what it amounts to. May I say to the gentleman from Michigan [Mr. Wolcott], its purpose is not related to production. It is to get feed that is produced in an area where there is a surplus, into an area where there is a scarcity. If that transportation expense cannot be met by the Government by subsidy, if you please, then the producers in drought or scarcity areas, cannot get that feed at a price at which it would have to be offered. It is for that reason we believe some aid ought to be offered.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Where in the bill would the gentleman's amendment be offered?

Mr. HAYS. At the end of section 3, in the last line; and it would as I have indicated accomplish just what the gentleman from New York had in mind, with which I am in thorough sympathy, and I believe a number of the members of our committee are.

Mr. COOLEY. Does the gentleman understand that this bill will prevent the Commodity Credit Corporation from carrying on its normal functions in the future as it has in the past with regard to the buying and selling of farm commodities?

Mr. HAYS. Yes; I am quite sure of it. There is no doubt in my mind that so far as livestock feed is concerned the bill if passed in its present form will prevent that kind of operation. We have that on the word of the President of the Commodity Credit Corporation himself. It was stated in committee and as I recall without contradiction that if the bill stood in its present form such operations as they outlined would have to stop.

Mr. COOLEY. In other words, on two or three former occasions this Congress has authorized the release of Commodity Credit wheat which relieved a very distressing situation in America. If I understand the gentleman correctly, if this bill passes in its present form unless some exception is hereafter provided, that operation will be prevented in the future.

Mr. HAYS. I do not think there is any doubt about it.

Mr. COOLEY. The gentleman from New York by his amendment leaves it in the discretion of the directors of the Commodity Credit Corporation who must find that a shortage of feed exists before they can go out and acquire this feed and release it to livestock raisers. Why would not the gentleman accept the amendment offered by the gentleman from New York if it accomplishes

the same purpose which the gentleman has in mind? It does not hurt to have it in twice.

Mr. HAYS. Because I believe it lifts livestock feed out of the category where I think it belongs and sets up a special limitation on the power of the Corporation. I think they should have general powers on those items.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I believe the amendment offered by the gentleman from New York would be inconsistent with the provisions of section 3 whereas if the gentleman's amendment were adopted it would be consistent with section 3.

Mr. HAYS. I thank the gentleman; I believe that is the case.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Under the amendment offered by the gentleman from New York the Corporation could dispose of feed at any price it wanted to; is that right?

Mr. HAYS. I yield to the gentleman from New York [Mr. EDWIN ARTHUR HALL] to answer.

Mr. EDWIN ARTHUR HALL. They would have the power, but it would get food to the population of the United States.

Mr. McCORMACK. They could sell it at a less price than they paid for it.

Mr. EDWIN ARTHUR HALL. I do not deny that; but I think the primary consideration is the feeding of the country. That should be the primary motive.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas may proceed for 1 additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. The fact is they could sell at a less price than they paid for it; is not that right?

Mr. EDWIN ARTHUR HALL. Yes.

Mr. McCORMACK. In other words the gentleman is opposed to a subsidy on milk but he wants the Government to pay a subsidy on feed.

Mr. EDWIN ARTHUR HALL. But it would mean we were going to feed the country under this plan; and they are not going to feed the people any other way.

Mr. McCORMACK. But the gentleman does agree that he wants all producers to get a subsidy except the dairy farmers.

Mr. EDWIN ARTHUR HALL. This does not apply to dairy farmers.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman know of anything that would be more demoralizing to market conditions, meaning to the producer, than for this

Congress to authorize the Commodity Credit Corporation to do the very thing the majority leader just pointed out? I cannot imagine doing such a thing.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is not one of the very purposes for which the Commodity Credit Corporation was created that of going into a sinking market to buy commodities with the idea of stabilizing prices and thereafter to sell those commodities in the market place?

Mr. HAYS. Mr. Chairman, I have just a moment, and the thing I want to say is this: The real issue is whether or not we want to aid the producers in the drought areas. We can reach that issue when my amendment is offered to section 3 where it belongs.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. CASE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE: After the words "beef cattle", wherever they appear in the Hall amendment, insert "sheep, other livestock."

The CHAIRMAN. The gentleman from South Dakota is recognized for 5 minutes.

Mr. CASE. Mr. Chairman, I do not expect to use the 5 minutes.

Mr. Chairman, the amendment as proposed relates to dairy cattle, beef cattle, and poultry; but the gentleman from Wyoming [Mr. BARRETT] calls attention to the fact that the same problem that exists as to beef cattle exists also as to sheep and in the range country of the West; and it seemed to me that this amendment is a perfecting amendment and that there should be no objection to it if the Hall amendment is to be adopted.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I readily accept the gentleman's amendment to my amendment. I merely want to say to the majority side that I do not want it on my conscience when these other people start blaming somebody for what will go on in the future, the famine that will go on throughout the country due to the lack of feed for these cattle that should form the basis of our food program.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CASE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman could also say that the same thing applies to turkeys, poultry, pet dogs, goats, to every living animal of man that uses protein feed. I want to ask this further question again: Does the gentleman know anything that would further demoralize the market and further demoralize production than to authorize a Government agency to dispose of hundreds of millions of dollars' worth of feedstuff at any price and on any terms

that the Government agency may desire to do so?

Mr. CASE. I do not propose to enter into a general discussion of the subsidy question or of the gentleman's amendment in the few minutes I have, but it seems to me as a practical matter if you offer this opportunity for feed for beef cattle you should do it also for sheep in the same general range area.

Mr. PACE. Will the gentleman yield?

Mr. CASE. I yield to the gentleman from Georgia.

Mr. PACE. With regard to a subsidy being involved in this amendment, may I call the gentleman's attention to the fact that it certainly is not directed to that because the amendment expressly provides that the Commodity Credit Corporation shall charge such price as it sees fit.

Mr. COOLEY. Will the gentleman yield?

Mr. CASE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman understand the language and the original purpose for which the Commodity Credit Corporation was created was to stabilize the farm prices at a time when we were in a depression?

Mr. CASE. Yes; that is my impression. I hope there will be no objection to the amendment to the amendment, if you intend to vote for the original amendment.

Miss SUMNER of Illinois. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I point out this is a subsidy amendment whether you like it or not, because the whole plan by which the Commodity Credit Corporation has given subsidies up to this time is by a buying-and-selling arrangement. They buy at a high price and sell at a lower price and there is your subsidy. This amendment authorizes the Commodity Credit Corporation to buy at such prices and conditions as it may desire, and by so doing you simply give them the legal privilege of doing what you have in section 3 prevented their doing—that is, giving a subsidy to different feed grains.

Mr. DEWEY. Will the gentleman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Illinois.

Mr. DEWEY. May I say that under the subsidy they buy at a high price and sell at a lower price.

Miss SUMNER of Illinois. That is right.

Mr. DEWEY. Who pays the difference?

Miss SUMNER of Illinois. The Government pays the difference.

Mr. DEWEY. Where does the Government get its money?

Miss SUMNER of Illinois. From the Commodity Credit Corporation. The gentleman knows that very well.

Mr. DEWEY. I know; but do not the taxpayers have to provide that money in the long run?

Miss SUMNER of Illinois. Oh, yes, there is no question about that. The Commodity Credit Corporation gets its money from the taxpayers.

Mr. GIFFORD. Will the gentleman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I wish the gentleman would explain to the House that it is because of the support prices of pork that they have used all the corn to raise hogs and we cannot get any for our poultrymen. This is a serious matter to me. My poultrymen demand this legislation. We cannot get feed because you have a support price for hogs. This ought to be named, "To provide for taking the feed away from the hogs."

Mr. WRIGHT. Will the gentleman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman states that this is a subsidy amendment. May I also point out that because the consumer gets the ultimate benefit from it, it is also a consumer subsidy.

Miss SUMNER of Illinois. Right.

Mr. COOLEY. Will the gentleman yield further?

Miss SUMNER of Illinois. I yield to the gentleman from North Carolina.

Mr. COOLEY. Was not the same situation true when we authorized the release of Commodity Credit Corporation wheat? That was also a consumer subsidy?

Miss SUMNER of Illinois. I did not vote for that.

Mr. COOLEY. Well, I did.

Miss SUMNER of Illinois. I was going to say that it may be that there are some limitations in that act. I do not recall the amendment enough to say, but I do know in this there is absolutely no limitation except the kinds of grains involved. You can buy and sell feed and all these particular grains in the whole of the United States with any amount of subsidy desired. The amount is not limited.

Mr. COOLEY. Has that not been the normal operation of the Commodity Credit Corporation, buying at one price and selling at another?

Miss SUMNER of Illinois. There are limitations to parity. We made loans there on the grain and then when the loan was taken over they sold, but if you will remember, there was a limitation on the amount. On cotton it was 300,000 bales a year. Those were all loan operations, but since they have gotten into these war subsidy programs, the milk program and other programs, they have all been buying and selling operations. I might add that the buying and selling operation such as described in this amendment is a typical operation in the subsidy programs of foreign countries.

Mr. COOLEY. Is that not what we authorized when we authorized disposition of the Commodity Credit Corporation wheat at a price less than the price fixed by law?

Miss SUMNER of Illinois. If the gentleman is going to rake up all the bad laws of this Congress and say because we passed those we should start to operate under a system of subsidies and give any amount of subsidy, that is another matter.

Mr. COOLEY. Does the gentleman say that that Commodity Corporation wheat was a bad proposition?

Miss SUMNER of Illinois. I told the gentleman I voted against it. I do not care to enter into that discussion, but I do wish to point out to the gentleman from New York, who has a very sincere purpose in offering his amendment, that so far as the farmers are concerned the way not to get corn is to start this kind of subsidy proposition. You will get more corn if you raise the price of corn to, say 20 cents, because our farmers will produce fewer other nonessential commodities.

Mr. HOPE. Will the gentleman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Kansas.

Mr. HOPE. Apropos of what the gentleman from North Carolina has just said, I call the attention of the gentleman to the fact that the Congress has not authorized the Commodity Credit Corporation to dispose of any of its stock except under certain limitations as to price contained in that legislation, whereas this amendment affords absolutely no limitation or directions at all as to prices and conditions.

Miss SUMNER of Illinois. I thank the gentleman. I felt sure there were limitations in every subsidy Congress has so far authorized, but I was not sure until the gentleman, who is a distinguished member of the Agricultural Committee, stated the proposition.

Mr. MAY. Will the gentleman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Kentucky.

Mr. MAY. I have heard a lot of discussion here with respect to this bill being a political measure. Let us assume that the amendment offered by the gentleman from New York is adopted and it is admitted here that they can pay any price they want to and sell at any price they want to. What is to keep the Commodity Credit Corporation, if it wants to play politics, from paying \$2 a bushel for corn in the Corn Belt of this country, covering 8 or 10 States, and selling it at 50 cents a bushel to the people who need it in other sections, and thereby controlling both sections of the country?

Miss SUMNER of Illinois. I can tell the gentleman something else that is at least equally serious. Our fight in the Middle West has been to try to get more meat by preventing the O. P. A. from driving our feeder industry out of existence.

The CHAIRMAN. The time of the gentleman has expired.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Miss SUMNER]?

There was no objection.

Miss SUMNER of Illinois. We found during the first subsidy hearings that there was a deliberate intention not to have the cattle brought to the Middle West and the range cattle fattened there so as to get more meat. Since then we found what appears to be confirmation

of that in the Gaumnitz committee report, a committee appointed by Secretary Wickard, only the conclusions of which report were released to the public, and the report suppressed. There they offer a program for food and say that according to their program it would contain less meat, fruits, oils, and sugar, but more cereals, beans, peas, and potatoes. They want Americans to eat a great deal more dried peas and beans, and few animal foods.

Under this amendment you give them a chance to monopolize the corn, if they go in conformity with this program as enunciated in this lengthy report, to wipe out our feeder industry so we will have even less meat than they are giving us today.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I have tried to follow the gentlewoman's remarks very carefully, but I cannot understand why in case this amendment is agreed to it changes the picture from what they are doing at the present time with feed that they are obtaining in Canada. They buy it at any price they want to buy it, and they sell it at any price that they want to sell it; do they not? That gives them a chance to carry on their bucket-shop operations with the domestic market the same as with the import market.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. The gentlewoman has raised the objection to this amendment that it may possibly be a subsidy. Would the gentlewoman accept the amendment with this addition in the last sentence:

Such distribution shall be made in such manner at no less than parity where sold and subject to such other terms and conditions as the board of directors of the Corporation shall prescribe.

Miss SUMNER of Illinois. What the House wants to do is its own privilege, but I would object to it.

Mr. EDWIN ARTHUR HALL. The gentlewoman would object to it anyway?

Miss SUMNER of Illinois. Yes, I would object to it for another reason. The price of corn might still be above parity, but still you would not have it high enough to get the kind of production you want. The reason you should insist on \$1.20 for corn now, or around that, is that then we would not be producing things we do not need to give to the people to increase the food supply, but we would be producing more corn. As I pointed out the other day, according to this same report 7,000,000 more bushels of corn might be made available. A price increase in corn would increase supply.

Mr. REED of New York. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from New York.

Mr. REED of New York. I am, of course, anxious to get dairy feed into the East.

Miss SUMNER of Illinois. Yes; I know that.

Mr. REED of New York. That will benefit the whole country.

Miss SUMNER of Illinois. We are eager to sell you the corn, too.

Mr. REED of New York. I cannot get excited over this so-called inflation as far as farm prices are concerned. From 1933, when we devalued gold, down to the present time every kind of a crackpot scheme has been dragged out of the corner that has failed elsewhere and it has been dusted off and put into operation to raise the prices of farm products, yet the minute they start to move up everybody goes into hysterics that that is going to cause inflation. They are making the farmer the goat, when all of the inflationary powers now possessed by anybody are in the hands of the President of the United States.

Miss SUMNER of Illinois. That is what I tried to point out the other day. The very same pressure that has kept them on a cheap food program ever since they came to power is going to keep them from raising prices much if this bill passes.

Mr. REED of New York. It is doing it now. They just want to reduce the farmers to a degree of servitude, that is all.

Miss SUMNER of Illinois. You will never get the chance, probably, because they will have the votes to support the veto, but if you do get this law you will see that O. P. A. does not raise the price of corn much.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. GILCHRIST. I object, Mr. Chairman.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. COOLEY. I object, Mr. Chairman.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, at the outset may I say that I do not believe any agency of the Government which has been created in recent years has rendered a more valuable service to American agriculture than the Commodity Credit Corporation.

Some things that have been said in the course of the debate on this amendment clearly impugn the motives, the patriotism, the honor, and the integrity of those in charge of the Commodity Credit Corporation program. It does not stop there. The implications of some of the remarks made here on the floor of the House with regard to politics are such as even impugn the motives of the President himself.

I have some misgivings about subsidies but I am conscious of the fact that the release of Commodity Credit wheat was nothing more nor less than a direct consumer subsidy. I appreciate the fact that the release of that wheat relieved a very distressing situation throughout the

length and breadth of this country, however.

The amendment offered by the gentleman from New York only authorizes the directors of the Commodity Credit Corporation to make available to dairy farmers, hog farmers, cattlemen, and poultrymen, necessary feed wherever there is an actual shortage of feed. Can it be said that Members of Congress want to tie up the feed resources of this Nation and prevent the movement of necessary feed into areas where there is a shortage? That is a clear-cut proposition. If this bill passes in its present form, I wonder just what will be the remaining powers of the Commodity Credit Corporation. We all know that it has saved the farmers on many markets.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The gentleman knows I do not oppose the Commodity Credit Corporation, but I do oppose the way they have taken an organization that is one of the most popular with Congress and used it to do things that were not intended by the farmers or the Congress originally.

Mr. COOLEY. Regardless of what they have done, I still believe that in good faith they were trying to serve those engaged in agriculture and at the same time prevent inflation in keeping with the present program of the present administration. I could very well vote for this committee bill and perhaps be somewhat consistent. Those of you who voted for O. P. A. said it would work well, but I was not convinced that it would work. I voted against O. P. A. and I voted against O. P. A. appropriations. I did not vote against it because the agency was accused of housing a lot of crackpots and screwballs. I voted against it for very fundamental reasons. I did not believe it would work and it has not worked, and the Banking and Currency Committee of the House of Representatives now, by this bill, confesses plainly and frankly that it has not worked. I dare say they would not vote for a repeal of the O. P. A. Frankly, I must confess that it has accomplished much more than I ever thought it would accomplish and it has done a much better job than I thought it would do. Now, let us look into this thing. What is evil and unholy about subsidies to farmers? We have subsidized practically everything else in America and I, for one, am reluctant to say to the President of the United States, to the Commander in Chief, and the War Food Administrator and the Commodity Credit Corporation, that they shall not have a free hand in the field of food production and distribution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. I ask for 3 additional minutes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. I have voted for every defense measure that has been before this House, for every bill that has been

recommended by the Military Affairs Committee and the Naval Affairs Committee. I voted for all the defense appropriation bills. I voted for one in excess of \$70,000,000,000, more money than the human mind can even understand or comprehend. I do not want to put myself in the position today of saying I am unwilling for the Commander in Chief who has in the palm of his hand almost the life and the destiny of the fighting men of America and the very life of our own Nation, that he shall not have a free hand in the matter of food and food products.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. COOLEY. I yield.

Miss SUMNER of Illinois. The committee spent 3 months on this bill. Do you suppose the President spent that much time studying these things?

Mr. COOLEY. I do not know, but judging from the expressions on the floor I doubt very much if the Banking and Currency Committee fully understands the far-reaching ramifications of the bill they have presented to the House.

Mr. PATMAN. Will the gentleman yield?

Mr. COOLEY. Yes.

Mr. PATMAN. For the gentleman's information, no public hearings were held on this bill. It was introduced after the hearing was over.

Mr. COOLEY. I thank the gentleman.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MORRISON of North Carolina. If the House votes down the amendment to strike section 3 out of this bill, what would be your advice to a friend of the Commodity Credit Corporation, to vote with this section 3 left in it? I am going to vote against it. I am going to vote to take it out, but I am afraid I am going to get beaten. Now, after we are beaten, what are the friends of this great agency that has done so much for the farmers, going to do? Is it better to vote for it with section 3 left in it; or against it?

Mr. COOLEY. May I admonish my friend not to be faint of heart and pessimistic about the outcome?

Mr. WRIGHT. Will the gentleman yield?

Mr. COOLEY. I yield.

Mr. WRIGHT. I am in sympathy with the spirit that prompted the amendment by the gentleman from New York, and also by my friend the gentleman from Arkansas [Mr. HAYS], but I do not see why we should be so restricted in our application of subsidies. Is it not a peculiar philosophy that will give a lot of subsidies to feed a cow and deny subsidies to feed a baby?

Mr. COOLEY. I agree with the gentleman, but I do not consider either the Hall amendment or the Hays amendment a restriction or limitation upon the use of subsidies but rather a definite authorization to use subsidies for very definite and specific purposes.

Frankly, I do not look with much favor upon the use of subsidies but I hesitate to vote to prevent the use of subsidies. I shall, therefore, vote to strike out Sec-

tion 3 which prevents the use of subsidies by the Administration in its efforts to prevent inflation. While I would much prefer for agricultural commodities to be sold for a fair price in the market place, if a further increase in commodity prices will have the effect of starting us down the primrose path which leads to devastating inflation, I certainly prefer the use of subsidies.

Congress directed the President to fix prices as of a past date, to wit, September 1942. In many instances prices have advanced since that date and it appears that it is impossible for him to carry out the mandate of Congress without inflicting punishment upon those who will suffer by a roll-back of prices unless subsidies are paid. If Congress does not want the President to carry out the mandate which it has given him, then Congress should say so in definite and specific language. If, on the other hand, Congress insists that prices be rolled back, then certainly it should permit the President to use subsidies in an amount sufficient to enable him to carry out the true intent and meaning of the law without inflicting unusual and harsh punishment upon innocent individuals who would be made to suffer if subsidies are not paid. If Congress does not want prices stabilized in this way, then it is the duty of Congress to offer a better method. Up until this time apparently no better method has been offered. If the bill passes in the form submitted by the committee and meets with a Presidential veto, it is my present intention to vote to sustain the veto. The pending amendment is a liberalizing amendment but, in my opinion, it does not go far enough.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have a dangerous scarcity of feed for poultry and dairy interests. On yesterday I received strong protests as to this condition. What should they expect me to do about it? I agree with my chairman that the Commodity Credit Corporation has the power, but do not have the courage to act. Because of the feed shortage and the support prices for pork, this condition obtains. Farmers are holding their corn to raise pork. The Commodity Credit Corporation does not have the courage to change the ceiling prices on corn, although there will be superfluous supply of pork. Courageous and sensible action is due on this matter.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. COOLEY. Will the gentleman say that the Commodity Credit Corporation ought to change the prices or that the O. P. A. should change the prices?

Mr. GIFFORD. The O. P. A. and other advisory departments. We may hesitate to speak of the success of the O. P. A. in many of their activities. Fish sold at \$4.50 a pound in my district a couple of days ago. Four dollars and fifty cents a pound. Those on which they had put ceiling prices brought probably 6 or 8 cents a pound, but those that did not

have a ceiling price went up to \$4.50 a pound. I do not have time at this moment to explain what has led up to that extraordinary condition, but there has been dismal failures on many other fronts. There has been a lack of courage to act on this feed question. I want to support the chairman of this committee, and his counsel that this is not the proper place to attempt to remedy the situation should be followed. This is not the place for such an amendment. However those who are worried about this feed question for poultry must see to it that something is done and done quickly. They are receiving, if you please, a subsidy in the matter of feed now. But they are not getting the feed. It takes more than this subsidy to move the corn. We should understand that this is a great surplus of pork and the desire to turn the corn into pork is causing this trouble. Do we not have a courageous department in Washington in charge of the matter who will take the bull by the horns and change the corn ceiling prices? We appeal to O. P. A. or the War Food Administration. Shall not those to whom we have delegated power not come to our rescue? I fear the time may come when we must legislate, simply to force action by the appointees of the Executive. We are in a very tough position, and wish to make more than a gesture. We must demand relief from the O. P. A.

Mr. COOLEY. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. COOLEY. Did I understand the gentleman to say that fish were selling for \$4.50 a pound?

Mr. GIFFORD. \$4.50 a pound.

Mr. COOLEY. For one pound?

Mr. GIFFORD. Yes, and ordinary fish. That is the result of O. P. A. action.

Mr. COOLEY. They must have been goldfish or caviar.

Mr. GIFFORD. Well I am reminding you how successful your administration is with your activities.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. CANNON of Missouri. Mr. Chairman, this amendment is the monkey wrench in the machinery. It is a subsidy, pure and simple. We cannot pass upon the motive with which it is offered, but we do know that—whether by design or not—it will completely disrupt the plan and purpose for which this bill is drawn.

It is possible, of course, that there may be those who will vote for such amendments through conviction. But we may rest assured that, on the other hand, every man opposed to section 3 of this bill will approve the amendment. It will have the hearty and unanimous support of every enemy of farm parity.

Now, Mr. Chairman, we must protect this bill from amendments of every character—but we must especially protect the bill against this amendment. We earnestly ask all those who favor fair prices to farmers in the open market to vote against this amendment and all others similarly intended to hamstring and emasculate the bill.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HOPE. Mr. Chairman, I am very much in sympathy with the purpose of the amendment offered by the gentleman from New York [Mr. HALL]. The dairy and poultry producers on both coasts, particularly the northeast section of this country, face a very desperate situation. But I do not believe this is the proper method to approach this problem. I do not see, as the gentleman from Missouri [Mr. CANNON] has just said, how anyone can consistently vote for section 3 of this bill, and also vote for this amendment, because this is a subsidy. It is not only a subsidy, but it is a blind subsidy. There is nothing said as to what shall be paid for the feed that is purchased or the rate at which it shall be sold. We have in the past authorized the Commodity Credit Corporation to sell feed, but we have always imposed some limitation upon the price at which it might be sold.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not right now.

Now, the fundamental difficulty that has brought about this trouble is the O. P. A. ceiling on corn. That is at the bottom of the entire feed shortage in the United States today. We have a ceiling price on corn of \$1.07 in Chicago, which means less than a dollar on the farm. While some corn is getting into commerce through black market channels, on the whole, corn is being disposed of by being fed to hogs, because you can feed it to hogs and get \$1.35 or \$1.40 a bushel for it. No farmer is going to sell corn for less than a dollar, if he has hogs on his farm that he can feed it to and get \$1.35 or \$1.40 per bushel.

This ceiling on corn, contrary to the idea of the O. P. A., has not in any way kept down the price of feed. What has happened is that the price of other feeds such as wheat, rye, barley, and oats, has gone up to a point which is comparable to corn at \$1.40 and \$1.45 per bushel; so that the dairyman and the poultry producer who is now buying feed is paying for it at the rate of \$1.40 or \$1.45 a bushel. But he cannot get the feed that he needs the most and desires the most because it is all locked up in the corn bins out in the corn belt awaiting the time when it will be fed to hogs. That is the situation.

At the same time the War Food Administration states that from a food standpoint we need to increase the production of milk and eggs and to decrease the production of pork.

The remedy is to take the ceiling off of corn or at least to raise the ceiling on corn to a point where it will result in corn going on the market at a price that is comparable with other feeds; and until the O. P. A. recognizes that as the problem you are not going to solve this feed situation.

Miss SUMNERS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Miss SUMNER of Illinois. Is it not also true that if they do not make an arrangement within the next 2 or 3 months they will be past the season where they can get what additional sup-

plies would come from changing your crops and raising corn instead of a less essential crop?

Mr. HOPE. Yes. I think what the gentlewoman says is very true. The time that action should be taken is now. If it is not taken now we are going to have a very, very serious feed situation not only this winter but in the next crop season, as the gentlewoman from Illinois has pointed out; so until we can meet that fundamental situation, until the O. P. A. will see this thing in a realistic light there is not any way that we can solve this problem.

Corn is to the feed industry what steel is to the metal industry, and until we turn loose this great supply of corn and make it available we are going to have this tight feed situation of which we have heard so much today.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. GILCHRIST. Mr. Chairman, reserving the right to object, I hope the gentleman will make the time long enough to give 5 minutes to each Member who is on his feet.

Mr. BROWN of Georgia. I have done so.

Mr. PHILLIPS. Mr. Chairman, reserving the right to object, I rise to ask if the request is to close debate on this particular amendment only or to all sections of the bill? I did not hear the request.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Iowa [Mr. GILCHRIST] is recognized for 5 minutes.

Mr. GILCHRIST. Mr. Chairman, it has been well stated by the gentleman from Michigan [Mr. CRAWFORD] that if this amendment is adopted, it destroys the purport and effect of section 3; you might as well have no section 3 in this bill if this amendment is adopted in its present form.

It has been well pointed out by the gentlewoman from Illinois [Miss SUMNER] and the gentleman from Kansas [Mr. HOPE] that this amendment will destroy the price of many grains and commodities, such, for example, as corn. We have had this question up many times in our Agricultural Committee and on the floor. We are not impugning the motives of the Commodity Credit people, as has been suggested. But this agency in times past has gone into the wheat country and bought wheat at a high price and then they have taken it out into the corn country and sold it at a low price, way below the price of corn, the Government paying the difference. That tends to break the corn market. It is exactly like a laborer going over to a factory and cutting under the wage scale and agreeing to work for much less than the factory has been paying other workmen. The labor people have a name for this sort of conduct. They

call this cheaper man a "damned scab." I never heard it called by the simple word "scab"; it is always "a damned scab." I would not use that naughty word myself, but I am just telling you how the labor people talk about scabs and scabbing. The Government should not buy wheat for a high price in the wheat areas and then bring it over to the corn areas and sell it at a price so as to break the corn market. The Government loses this money, and the corn farmer himself is taxed to help pay this loss.

If these Commodity Credit people under the amendment offered by the gentleman from New York can buy wheat for a high price and then sell it at such price as they desire, then the wheat—or whatever they buy—will go into the market as against other grains, such as corn, barley, rye, and soybeans, and thus destroy the market for such other grains.

In other words, in that state of affairs, the grain which they buy at whatever price they want to pay, and then take over into other areas and sell it at whatever price they want to sell, will be exactly like I have described before as scabbing, and such wheat—or other grain—will be like a scab in labor circles. All of us know that that is not a fair way for competition. If these Commodity Credit people would consent to sell the grain that they buy at no less than parity, it would be another proposition, but here the proposed amendment provides for sales, "at such price as the Commodity Credit Corporation may desire." They frequently have sold their purchases away down below parity. They buy wheat at \$1.25 and take it over and sell it at 15 and 20 cents below the price of corn in my county and below the parity price for corn. They buy it for \$1.25 and take it over there and sell it for 80 or 85 cents and break the price of corn. Corn was above the price that they were selling the wheat for. And the taxpayers and corn farmers pay the loss.

That is not fair, it is not honest, it is not even respectable; and unless this amendment is changed there is no person who should support it. It is not a fair amendment, it is a scab amendment by which they will do away with the whole purport and effect of paragraph 3 of this bill.

Mr. FORD. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from California.

Mr. FORD. The gentleman says they buy it at one price and sell it at another. Then the gentleman is for subsidies?

Mr. GILCHRIST. No, I am not. They could sell for practically nothing, but that would not be fair to the other competitive grain, such as corn. It would not be consumer or a producer subsidy anyway. It would not be any kind of a subsidy. It would be wrong.

Mr. FORD. Does the gentleman believe in subsidies?

Mr. GILCHRIST. I am not for that kind of a subsidy. It is not fair or even honorable. Nobody should be for such

subsidies. The amendment would break the whole purport and intent of section 3 of this bill.

Mr. MURRAY of Wisconsin. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. They could also buy corn for \$1.30 and sell it in New York or some other State for \$1?

Mr. GILCHRIST. Yes, they could, under the amendment.

Mr. MURRAY of Wisconsin. In other words, as far as your particular district and State is concerned, they might pay \$1.30 or \$1.40 for corn?

Mr. GILCHRIST. Yes; they could come out to my district and give every lady enough for her corn to enable her to buy a diamond ring. The best we can do is to get substantially parity for corn and other grain under the legislation we have now. We do not get it. We are away below parity, notwithstanding the attempts that we made to cause the purchase of these commodities to be as high as parity. The proposed amendment is bad.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEWART. Mr. Chairman, stabilization should mean keeping prices on a level, and especially keeping them in the same relation to one another. The heart of it is to keep the cost of living prices on a level with wages. But what have we? Just the contrary, with too many agencies dealing with the subject of stabilization, with no teamwork and not geared together.

The American people are in the throes of the bureaucrats, with too much confusion and a lack of interrelated decisions, with too many bugs in it for those in control to know what it is all about, and impossible for the citizenship to understand.

I am almost overwhelmed when I realize whenever a farmer and a cattleman have a problem they suffer from confusion and indecision, with many additional expenses in disposing of their commodities, such as having to pay up to four to five times the average commission the average businessman charges for like services, a very rigid classification as to grade, with lots of rejects, and with delay, especially when perishable commodities are ready to be put on the market. I cannot with a clear conscience support a subsidy that will make the farmer and cattleman wards of the Government, with the packers and bureaucrats and labor leaders as their guardians. One will only have to look at a sales slip from your commission merchant now and 1 year ago to know who is getting the benefit of the subsidy on livestock to see that the producer is paying far more than his just share.

After all, I have not had one constituent to ask me to vote for a subsidy. On the other hand, I have had many on the opposition side of the issue.

We were told that parity prices to the farmers were very inflationary, notwithstanding it cost only a billion dollars. Yet an increase to one group of organized union strikers which got their demands will cost a like figure. That is not

all. Many more organized groups are asking for an increase in wages, and in all probability they will get what they ask for, while the average unorganized citizen will have to suffer the directives which sentence American citizens to starvation if they fail to abide by the orders of certain bureaucrats, while daily strikes are occurring, while our brave soldiers are fighting for our liberty. Those of our fighting forces who are fighting for our liberty will have to continue their fight with the ballot to fully realize our American way of life. The C. I. O., A. F. of L., and other labor groups say we will have the worst inflation spiral known to civilization if the Congress does not vote a continuation of the subsidy program. Subsidies is just simply a hidden wage increase for the highest-paid organized union workers in the history of the world, with all the disadvantage to the average citizen.

If the cost of living has not been held down, what is wrong? Someone has not done their duty. When eggs are selling at 37 cents in Antlers, Okla., and for 75 cents at Washington something is wrong. The line against inflation has not been held. And by the same token the farmer has had his products held down and has not received just consideration.

In my opinion, the present law is ample to hold the line of stabilization of prices, which include wages as well as commodities, if you please.

Twice before I have voiced my views at length in opposition to subsidies, and will not here rehash what was then said.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I agree with the remarks of the gentleman from Missouri with reference to this particular amendment. There is no Member of Congress in either House who has more varied livestock problems confronting him than does the present speaker—poultry, hogs, beef and dairy cattle, goats, sheep, and all other kinds.

There is an old Spanish proverb: "De noche todos los gatos son pardos"—at night all cats are grey.

The truth is that the night of obscurity which confronts this House and this country has been brought over it by the tremendous confusion wrought by administrative agencies which have taken charge in truth and in fact of ways and means under and by which Americans in the past have been accustomed to doing business. It is with great difficulty that one can bring the mind to focus on the facts in a situation such as that which confronts us. Everybody knows simply and frankly that the bill we have before us is a bill which proposes to do one thing, stop the payment of subsidies, recognizing that all legislation deals with human beings and the things human beings produce, and with particular reference to the future of the human beings.

I am going to read something that happens to be St. John's translation of Plato, and it has a definite bearing on this situation. I hope I have time to explain it because I do not want to leave

any wrong impressions here. I am not accusing anyone in this or in any other country of a desire to fix tyranny upon us on account of confusing the issues, however, with the possibility that if we continue to permit not only compounded confusion but the financing thereof, in spite of the best men this Nation affords, tyranny is inevitable.

This is from Plato, a fellow who once dealt in theories:

Tyranny is not so much a form of government as political death, or sleep during which all conscious exertion of power is extinguished. The people, like a vast mass of brute matter, are fashioned by their tyrant into whatever form he pleases: he sends jugglers among them under the name of priests, who fill them with dreams favorable to tyranny: by the instrumentality of these men he darkens their minds, stupefies them with intellectual mandragora, and gradually plucks up by the root every free and manly and noble sentiment: ultimately, with more than Circean art, he transforms them into hogs, rings their noses, and turns them to grunt, feed, and fatten for his use in the sty of slavery.

Mr. Chairman, the confusion that is wrought in this great deliberative body which is the heart of your country and mine, which we love, is the thing that I condemn. There can be no compromise with principle. The situations involved here and to be decided here are simply this: This Nation is not for sale by subsidy or otherwise quite so cheap.

What I mean to convey is that regardless of how we may strive to save this great enterprise, we will fail unless we stop this proposal which will sap the very virtue of the people. Continued dependence on government for alms or support forges the very tools to serve the designs of ambition misdirected.

May I call back Thomas Jefferson to testify: "If we have a doubt relative to any power we ought not to exercise it."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I ask unanimous consent that my amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 4, after line 21, insert:

"SEC. 2A. Whenever the board of directors of the Commodity Credit Corporation determines that there exists in any area of the United States a shortage of feed for dairy cows, beef cattle, and poultry the Corporation is authorized and directed to acquire, or to release from its stocks, corn and other feed for distribution for feed for dairy cows, beef cattle, and poultry in such area. Such distribution shall be made in such manner, at such prices, and subject to such terms and conditions as the board of directors of the Corporation shall prescribe."

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from South Dakota to the pending amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. CASE to the Hall amendment: After the words "beef cattle" wherever they appear in the Hall amendment, insert "sheep, other livestock."

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. FORD) there were—ayes 22, noes 164.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities, except as provided in section 4 hereof: *Provided*, That with respect to any such commodities for which subsidy programs or support prices have been announced on or before October 13, 1943, such programs may be carried out and such support prices may continue to be maintained to the extent only that funds are available for such purpose under existing law, but not beyond December 31, 1943: *Provided further*, That support prices shall continue to be announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oilseed.

Mr. WOODRUFF of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the 10 long years of the present administration, the American economic system has persistently been injected with doses of inflation, through the reckless, wasteful squandering of the American taxpayers' hard-earned money.

With increasing billions of dollars, distributed in ever-increasing wages and salaries, it is no wonder the supply of money and the supply of goods available for purchase get out of balance. An unbalanced condition as between purchasing power in the hands of the people, and the purchasable amount of goods and services arises. The result—further inflation.

The Government can put ceilings on prices of labor and commodities, and maintain them if it likes. The President long ago was given the authority and the power by the Congress to do exactly that and to stop the rapidly growing inflation. Why has he not kept prices where they were when Congress gave him the right to do so? It would then have been comparatively easy to stop this

thing. It is not too late even now. It can be done—and will be done—if he will summon the courage to meet his responsibility.

In the meantime, the Government goes on with its inflationary policy. Instead of going to the roots of the disease and curtailing unnecessary expenditures, the administration resorts to all kinds of subterfuges in order to postpone the day of reckoning with the American people. One of these devices is represented by governmental subsidies under a wide variety of forms. To conceal the fact that costs rise if they are not controlled, and that prices consequently must rise if production is to continue, the administration proposes to pay subsidies to producers and processors. The administration prefers to fool the public by suggesting that prices shall be rolled back and that the Government will pay the difference between rising costs and the sales price, and this at a time when our people—or most of them—have more money to spend than they heretofore have ever had. Now just who is the Government? It is you and I and everybody, isn't it? The President proposes to bribe us with our money, doesn't he?

The Treasury Department, all along, has been trying to devise ways and means of siphoning off the surplus purchasing power in the hands of our people in order to stop inflation, so we are informed. The President's proposal to pay subsidies is a move in exactly the opposite direction. Again we find the New Deal moving in two different and conflicting directions at the same time.

I do not believe that those who think this problem through will be fooled by such a proposal. They will know that the subsidies, through the necessity of borrowing the money with which to pay them, will be added to the national debt and to their tax bill, together with the staggering costs of interest on the debt until that debt is paid. The cost of administering the subsidies will be substantial and will further increase our taxes and our debt. If this is done, the subsidies will have to be increased continuously in line with the growth of inflation. Subsidies do not prevent inflation. Subsidies add to inflation by pouring more purchasing power into the economic stream and by forcing the Government deeper and deeper into debt. Adopting the President's policy will be about as effective in reducing or stopping inflation as throwing gasoline on a fire in order to extinguish the same. It is high time that we all sober up and reject economic policies which have brought this rich and prosperous Nation to the very verge of bankruptcy.

Mr. Chairman, I have again reviewed the two measures known as the anti-inflation bills enacted by the Congress. Both these measures contain the exact provisions insisted upon by the President of the United States when they were before us. He assured the Congress and the country that if given these laws he could and would prevent inflation. No one questions his ability under the law to do exactly as he then promised to do. It must be perfectly apparent to

everyone, however, that a rather large measure of inflation has appeared since these powers were given to him. His failure to control the situation was not through lack of powers to do so but rather his neglect to exercise those powers. I think anyone familiar with all the facts will agree that if inflation has occurred—and it has—the responsibility therefor can be placed directly in the lap of the President of the United States. If further inflation takes place, the responsibility therefor will rest directly upon the President and not upon the Congress, as he would have the people of the country believe.

Mr. Chairman, the administration program of rolling back prices, of paying subsidies on farm products, of still further increasing our national indebtedness, and still further expanding the bureaucracy which at every hand stifles and irritates the people of the country, will, for the reasons I have set forth, induce inflation rather than prevent it. Either with or without the bill before us, the President can stop inflation exactly where it now is. If the President up to date, with all the powers he has under the law, has not curbed inflation, certainly he will not now do so through the medium of a policy which in itself is dangerously inflationary.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 4, line 22, strike out the words "No funds" and insert "Until October 1, 1944, not more than \$750,000,000 in the aggregate, and after that date no funds."

On page 5, line 10, after the colon strike out the balance of line 10 and all of lines 11 to 25, inclusive.

On page 6, strike out lines 1 and 2, inclusive, and insert "*Provided further*, That the authority to make any such subsidy or other payment, or to pay or absorb any such losses, except as provided in section 4, shall in no event extend beyond the date on which any general increase in wage rates is granted or approved by any agency or officer of the United States acting under authority of Public Law 729, approved October 2, 1942, in the amount greater than 15 percent of the rate of such wages in effect on January 1, 1941."

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Oklahoma be extended 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MONRONEY. Mr. Chairman, this amendment is offered in the hope of finding some middle ground in which Congress can play a part in helping to prevent the tide of inflation from swamping us.

I think we have heard enough debate in the past several days to realize that this is a very complex and dangerous question. I feel that Congress must take part in the prevention of inflation and that we dare not fail to do just that.

This amendment is drawn by the Legislative Drafting Service. It did not come up from downtown and I do not yet know whether it pleases anybody in any

of the administrative offices downtown. It is the result of two long hearings before the Committee on Banking and Currency that have stretched out for almost 6 months, in which the subject of subsidies has been thoroughly examined and studied by the members of that committee.

FEAR MISUSE

When you resolve most of the difficulties over opposition to the subsidy, you find that they are based on fear and on the feeling that these subsidies will be abused. It is to prevent those abuses that I have tried to restrict this amendment and give this mandate by Congress for limited and judicious use of the subsidies.

As to the amount, I have tried to tie that up to the limitation so that it would extend the present rate of subsidies, plus enough barely to cover the flour and bread subsidy, because I feel that if we allow bread to go up a penny or 2 cents a loaf, with the dangerous situation we have on the labor front today, we are then putting the match under the powder keg of inflation.

And so I think any consideration of subsidies should make allowance for that one, because bread and flour are now in a terrific squeeze. The second proposition is, I think we should limit it as to time.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. CANNON of Missouri. What situation would make it necessary to increase the price of bread?

Mr. MONRONEY. Because wheat has gone up far beyond the amount on which the level price of bread is now based.

Mr. CANNON of Missouri. The gentleman will permit the observation we sold wheat in 1920 at \$2.40 a bushel and bread was 10 cents a loaf. A few years later wheat was 30 cents a bushel and bread was 10 cents a loaf. Today wheat is at \$1.35 a bushel on the farm and bread is still 10 cents a loaf. What is the effect of giving a man a few more cents a bushel on wheat?

Mr. MONRONEY. I will say to the gentleman the figures by the millers indicate—and are convincing—they must raise the price of flour to bakers and the bakers are at the breaking point now on their present price of bread. And so if you do not include money for bread subsidies you are going to have to see that price go up.

Mr. CANNON of Missouri. There were no subsidies when wheat went from 30 cents to \$2.40 and bread was still 10 cents a loaf.

LIMIT AS TO TIME

Mr. MONRONEY. As to the time, I believe Congress wants to take control and keep control of the use of subsidies and for that reason we ought to bring the agency back at the earliest possible time it is practicable to examine and find out just how these programs are being used within the limits we provide.

So I provide authority to use subsidies will expire on September 30, 1944. I would have them expire earlier, but we dare not split the crop-growing season in the middle because in that way it

would do great damage to the war food production. So the date of September 30 is about the earliest date we can reasonably make it expire.

Do not overlook the fact their use will be examined with a fine-tooth comb, gentlemen, because the Price Control Act expires the 30th of June next year. Hearings will probably start in March of this coming year, so the congressional committees will be busy studying and examining and watching the operations of the subsidy program and other operations of the O. P. A. during that period.

TIES TO WAGE FORMULA

Now I would like to come, if I might, to what I think is the most important point of my amendment, and that is a sincere conscientious effort to tie into permission to use subsidies a mandate that the Little Steel formula must be sustained. I will agree with anyone it is a very difficult proposition to write this into law. I will agree my language must be general.

But it incorporates the basic components of the Little Steel formula and provides that with any general increase in wage and salary rates above the January 1, 1941, level, that is in excess of 15 percent, when that line is crossed then the authority to use subsidies ends.

Mr. POAGE. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. POAGE. I am in hearty accord; if we could tie this to some wage level that would be fine. Has there ever been a general wage level increase in the United States?

Mr. MONRONEY. Definitely.

Mr. POAGE. When?

Mr. MONRONEY. The whole Little Steel formula was a general wage increase.

Mr. POAGE. It was not a general increase. There were lots of people in this Nation who did not get an increase. If we were to pass a piece of legislation of this kind, and if these departments do not then interpret that to mean you have got to give every human in the United States from German war prisoners to President Roosevelt, some increase before they will agree that there has been a general wage increase, I will be greatly surprised.

Mr. MONRONEY. I cannot agree with the gentleman.

Mr. POAGE. We are not going to have a general wage increase for all groups in the Nation at any one time. You have got to tie your formula down to a certain number of people. The coal-mine increase was not a general wage increase. Although it involved 600,000 people it was not general. It did not apply to the men on the railroads because they are now threatening to strike for higher wages, so you did not get a general increase when you got the wages of 600,000 workers increased.

Mr. MONRONEY. In answer to the gentleman I would like to say that 2 or 3 more fractures of the wage line, such as have already taken place, will bring about a general wage increase. You might as well try to say you cannot see a Mack truck going down the street, because when they fracture the line on

1 or 2 more occasions there will be 1,000,000 labor cases in the lap of the War Labor Board and to surmount this terrific pressure and threat to strike there will have to be a general declaration and moving up of the wage line.

I feel that the language, in view of the practical situation that we face, is as tight as it can possibly be made.

Mr. WRIGHT. Mr. Chairman, will gentleman yield?

Mr. MONRONEY. I yield.

Mr. WRIGHT. The gentleman is the author of the amendment in question. When he states on the floor what he means by "a general increase" is not an increase all over the United States, but an increase for one industry or for one union. I believe that those words are what the gentleman intends when he said, "general wage increase," are they not?

Mr. MONRONEY. A general breaking of the Little Steel formula. It will be impossible to move that line without it being soon determined by every Member of the House, and by the Comptroller General, who will have to pass on this. So the matter is self-enforcing, because the situation is in such condition that you cannot make many specific adjustments without notice when you are in a wartime economy.

Mr. FOAGE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. POAGE. Does the gentleman consider that the wage increase granted the coal miners was a general increase?

Mr. MONRONEY. I believe it will bring about demands for a general wage increase.

Mr. POAGE. But the gentleman evidently does not consider that a general wage increase as does the gentleman from Pennsylvania. Now would the gentleman tell us just how many people would have to be involved before there would be a general wage increase? The gentleman from Pennsylvania [Mr. WRIGHT] gave his idea of what would constitute a general wage increase, and he was putting words into your mouth to the effect that if one union got a wage increase that was general. But you say that is not what you mean. How many people would have to be involved before there would be a general wage increase?

Mr. MONRONEY. I hate to disagree with the gentleman.

Mr. POAGE. You are not disagreeing with me. Just answer my question.

Mr. MONRONEY. In a practical situation you cannot violate the Little Steel line on occasions and not find yourself in a position that will make you move forward the whole wage line. I feel for that reason you should not try to tie it in to specific, individual wage increases, because there are constant minor adjustments going on.

Mr. POAGE. Will the gentleman say how many people he would figure must be affected before we would have a general wage increase under the terms of his amendment? I want to see what his amendment means.

Mr. MONRONEY. I am saying to the gentleman that the matter is self-enforc-

ing, because any wage advance has an effect on the Little Steel formula that brings such repercussions to force forward that entire line.

Mr. POAGE. It cannot be self-enforcing, because the men down in the Commodity Credit Corporation have got the power to use this money until they agree that there has been a general wage increase.

Mr. MONRONEY. The War Labor Board is concerned with the wages of 45,000,000 men. If you think you can raise 600,000 men here, 300,000 men there, and 400,000 in another place, and have them still hold the wage-formula line, you are mistaken, because they will have to move that line forward. There is no other way, from a practical standpoint, that you can handle this difficult wage freeze that you have got.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Miss SUMNER of Illinois. Over a year ago wages went up 16 percent.

Mr. MONRONEY. You mean from January 1 to May 1?

Miss SUMNER of Illinois. From May to May 1943. Would you consider that a general wage increase?

Mr. MONRONEY. I am driving at the Little Steel formula. My friend from Illinois knows that on many occasions whole industries raised 25 percent from January 1 to that date, but I am talking about the Little Steel formula. I think this amendment answers the chief criticism.

Miss SUMNER of Illinois. But you do not answer me and you did not answer the gentleman from Texas.

Mr. MONRONEY. I have answered to the best of my ability.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. THOMASON. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. WOLCOTT. Reserving the right to object, I understand there is an attempt being made to finish this bill this afternoon. The gentleman has spoken under general debate, as we have all spoken. It is not my thought to cut off any debate, but the gentleman has already had 10 minutes.

The CHAIRMAN. Is there objection?

Mr. WOLCOTT. Well, I do not want to be in the position of objecting.

Mr. HOFFMAN. I object, Mr. Chairman. In support of my colleague, I object.

Mr. WOLCOTT. Do not think you are supporting me, because I am not going to object.

Mr. HOFFMAN. Well, on my own account, then, I object, Mr. Chairman.

(By unanimous consent, Mr. MONRONEY was granted permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this amendment is peculiarly objectionable because it would put the stamp of approval by Congress on the payment of consumer subsidies in the first place. It would then limit the program to \$750,000,000.

I have said repeatedly that if the time ever came when this Congress adopted a consumer-subsidy program, then we should have the courage to give the administration sufficient money with which to carry it out. Do not think you are going to hide behind any political bogeyman by voting for this amendment, because if you think you are, let me tell you something. You will put the stamp of approval on the payment of consumer subsidies. Then you have said to the administration "All you can use is \$750,000,000." So it puts the administration politically in the position of telling you that although you put the stamp of approval on consumer subsidies they could not prevent inflation because you did not give them money enough; so that disposes of that question.

The amendment destroys the support program; it destroys the loan program. The language on page 5 between lines 10 and 24 is stricken from the bill. The sponsor of this bill has been opposing the prohibition against consumer subsidies from the very moment that the bill was introduced; so I do not think he is sympathetic with our philosophy of price control and price fixation. He destroys the support program, and everyone who would vote for the Monroney amendment would vote to destroy the program by which agricultural prices are supported which results in obtaining the maximum amount of production.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I cannot yield at the moment.

Mr. MONRONEY. But the gentleman mentioned my name.

Mr. WOLCOTT. I am going to mention it again sometime perhaps but I will never do it in vain, I can assure the gentleman. I have deep respect for him.

It destroys the program whereby a floor of 90 percent may be placed under agricultural prices. This is the so-called Steagall amendment to the Commodity Credit Corporation Act assuring farmers that if they are encouraged to expand production of nonbasic as well as basic commodities that they would be assured of at least 90 percent of parity. He destroys that program.

The gentleman from Oklahoma has been telling you that you should vote in favor of subsidies because of a large fixed-income group which would suffer if you did not. All right; he predicates the suffering of this fixed-income group upon some deficiency of administration in the Price Control Act and when the so-called Little Steel formula is punctured then he makes no provision for the little fellow, he makes no provision for the white-collar worker, the fixed-income worker, or anyone else whom he says would be peculiarly affected if we do not pay subsidies. How does he reconcile these two theories? He reconciles his amendment with his endeavor to defeat this bill and for no other reason.

When is the Little Steel formula punctured? I listened with a great deal of interest to the colloquy which has just taken place as to what the Little Steel formula is. Does it apply gen-

erally? Does it apply to specific industries? Do subsidies stop when it is punctured through in any particular place? Or must all wages on the average increase more than 10 or 15 percent, or whatever he says in his amendment, before the subsidies will be stopped? These are things which are so nebulous, so cloudy, so uncertain that we just cannot afford to adopt this language and leave it to the administrators to interpret it in any manner they see fit.

We provided last October 2 a stabilization program. We said that wages and salaries should be stabilized on the highest which was paid between January 1 and September 15, 1942.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object, and I shall not; I should like to answer the gentleman and also expect to ask for 5 additional minutes.

Mr. WOLCOTT. I will not object to anyone's having 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. We told the O. P. A., the administration, to stabilize wages and salaries at the highest amount paid between January 1 and September 15, 1942; but we said, "You cannot set them below that; you can go above that if they make a showing of necessity." In an Executive order the administration provided that in hardship cases they could discuss whether wages were high enough in any particular case before the War Labor Board, and salaries I believe before the Treasury Department. We stabilized on that basis all salaries and wages paid between January 1 and September 15, 1942. On the other hand we said to the agriculturists, "We are going to stabilize your prices upon this comparable level; we are going to give you the same benefits." We said to the President, "You may stabilize agricultural prices, but you cannot put a maximum price below parity." The formula was parity to the farmers, the highest price paid to the workingman. There was stability. If the President, if the Administrator of the price-control law had held to that line then as you directed him to there would not be this chaos today. If they had held the wages and salaries except in cases of gross inequities to the highest paid between January 1 and September 15, 1942, and if they had kept agricultural prices at parity, then no one could have objected; the wage earner could not have objected, the salary earner could not have objected, the farmer could not have objected. We gave him the authority to make adjustments to correct gross inequities, to increase war production; and we said that if it was necessary to make adjustments upward to obtain a maximum amount of production then he should raise the prices.

Mr. Chairman, this question of whether we should raise the prices to absorb these increased costs of production or

not was settled by this Congress in the October 2, O. P. A. Act. This whole question has once been before this Congress and settled. If there are deficiencies in the price scheme today, if there are deficiencies which result in our not getting sufficient food or sufficient of any commodity, it surely is not in the fact that Congress has not given the authority to the administration to do the job. The deficiency lies in the fact that the Price Administrator, the War Food Administration, and several others perhaps have not been judiciously and courageously administered. Do you want to know what the alternative program is? The alternative program to consumer subsidies is a courageous and judicious enforcement of the Price Control Act. We are all for price control, everyone of us. Any Member of this House who is not in favor of some price control authority does not know what he is talking about. They have kept down prices, they have done a fairly good job, but I do not intend to allow them, if I can help it, to pay consumers' subsidies for the purpose of covering up the mistakes which they have made in the administration of this law.

This amendment should be defeated.

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words, and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

NO MEMBER CAN ANSWER THE CHALLENGE THAT IT IS EITHER SUBSIDIES OR HIGHER COST OF LIVING

Mr. PATMAN. Mr. Chairman, day after day on the floor of this House I have asked any Member, the minority leader, or the distinguished gentleman who just addressed you, or any other Member of this body, to offer an alternative for the use of subsidies. I would like to hear it and the country would like to know it. Up to this good day no such alternative has been offered. I want to say that there is no alternative. You must either increase the cost of living or not encourage the production of food or pay a subsidy. After 2 weeks, if no one can answer, we must presume there is no answer.

Mr. GIFFORD. Will the gentleman yield?

Mr. PATMAN. I shall not be able to yield to anyone for the present.

Mr. GIFFORD. The gentleman is definite.

Mr. PATMAN. Mr. Chairman, there is a question before us and the country today that is as serious as our No. 1 problem. Our No. 1 problem is the winning of the war. Our No. 2 problem is the prevention of ruinous inflation. It is possible for us to take a step here today that will carry us into the type of runaway inflation that will destroy the value of our money, that will make it not only possible but probable for us to absolutely lose the war not only on the domestic front against inflation but on the foreign fronts as well. People will not work and will not produce if they are only offered money that will

not buy anything—worthless money. So along with inflation you have worthless money.

What is the alternative for worthless money? A dictatorship, something we say we all fear and dread. There is no other way on earth for a country to come out of inflation except through a dictatorship. So today it is possible for us to start on the road not only toward ruinous inflation and the possible loss of the war but also to take a step, a long step, in the direction of a severe dictatorship in order to bring us out of that ruinous inflation.

The gentleman from Michigan [Mr. Wolcott] mentioned that the President has been given the power and the authority to stabilize prices and wages and enforce the law. If he does not do it, of course the blame for the lack of use of that power is upon him. May I say that it is true we did a very unusual thing. We passed a law here which issued a directive to the President of the United States and stated that the President is directed to stabilize wages and prices and the cost-of-living items and salaries. We directed him to do that. Yet we turn right around and take away from him the weapons and tools that he could use for that purpose.

When the O. P. A. appropriation bill came up the same people who are fighting subsidies today voted to decrease that appropriation bill by almost \$30,000,000, a sufficient amount to take away from the President the weapons and the tools with which he could enforce the very law that we had directed him to enforce. How can you blame one for not enforcing a law when you take away from him the weapons? You might as well tell our boys down in the South Pacific, "You are authorized to whip the Japs, but we are taking all the guns and ammunition away from you. We are not giving you anything." That would be an analogous situation.

When the O. W. I. bill came up here, that agency was doing a marvelous job teaching the people the evils of inflation and how to keep it down. They were flooding the country with good information and the people were observing it. But when that appropriation bill came before this body, the same people who are now denouncing subsidies and who are trying to cut them out of the present law were successful in passing an amendment that destroyed entirely, 100 percent, that part of O. W. I. which was doing a marvelous job teaching the people the benefits of combating inflation.

So while we have given the President the power, we have taken away from him the weapons and the tools he could use with which to get the job done which we assigned to him to do. Therefore, the criticism comes with very poor grace from the Congress after passing a law directing the President to do something, then passing appropriation bills here so low and with no appropriation in some cases, thereby making it impossible for him to enforce that law.

What about these subsidies? Let me invite your attention to how inconsistent this very bill is. The present bill, if passed by the solid Republican minority

vote, and they will pass it because they have the united strength of their party and they also have some strength on the Democratic side, will it mean you are passing a bill against all consumer subsidies? No. We will still pay hundreds of millions of dollars of the fuel bill of the New England people. There is nothing in here against that. The same people who are voting to help pay the fuel bill of New England, the same people who have endorsed helping pay the rent bill for people all over the country, the same people who endorsed helping pay the food bill, if you please, in this very bill if they will eat certain foods, are here trying to cut subsidies out of this bill. Read the last provision of this bill and you will find that it has a big exemption in there. It will include probably \$100,000,000 worth of products. You will be voting to help pay their food bill if they eat oleomargarine or if they eat Crisco or if they eat anything that is made from vegetable oils, fats, or oilseeds. That is perfectly all right, you say, so far as consumer subsidies are concerned. Is that not inconsistency for you? You get up here and say if it is made of lard or any other product of an animal, it is extremely wrong, it is bribery, it should be denounced, it should not be tolerated, but in the same bill you say if it is made out of certain products it is perfectly all right and it is not a consumer subsidy.

May I warn you, Mr. Chairman, this bill is far reaching. It goes beyond just the immediate few subsidies involved here. I cannot feature these people from the dairy sections, for instance, voting to subsidize oleomargarine and saying that it may be sold for 1 cent a pound. It is possible under this bill to subsidize Crisco and it may be sold for 1 cent a pound. It is possible to do that under this bill, but you are not willing for your dairy farmers to have the benefits of this same money and the same theory and principle of government that you are willing for the others to have. If it is fair for one it is fair for the other. I say it is fair for both.

SUPPLY AND DEMAND IS INFLATION

I know that many people say that the alternative for this is supply and demand. Any person who says that deliberately either is misinformed or he is for inflation. There are no ifs, ands, or buts about that. Are you going to have supply and demand in a country like we are in now at war when a large part of everything is being bought up by our Government and a large part of the rest is bought up for lend-lease? There is no competitive market now. It is a seller's market, it is not a buyer's market, therefore the law of supply and demand would only work to ruinous, runaway inflation. It is my hope that the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY] will be adopted, but if it is not adopted I hope to have the privilege of offering an amendment striking out all of section 3 later on after all of the perfecting amendments have been passed on.

For the present I sincerely hope that the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY]

will be adopted, which will make subsidies ineffective if the Little Steel formula is broken. There is protection there for everybody. That line must be held. If it is not, under the Monroney amendment this will be null and void and subsidies will be taken off. So I believe the Monroney amendment should be adopted.

I am inserting herewith five letters from very prominent officials of our Government who support my views on this subject. They are as follows:

WAR DEPARTMENT,
Washington, D. C., November 23, 1943.
Hon. WRIGHT PATMAN,
House of Representatives.

DEAR MR. PATMAN: I would have answered your letter sooner except for the fact that I have had to be out of town.

There is no question in my mind that it is of paramount importance to all of us that the cost of living be kept within some control. It is particularly important to those in the lower income brackets with fixed incomes. Within this group I would include the dependents of many of the men in the armed forces. Accordingly, I am in favor of such reasonable steps as may be necessary to accomplish stability in our cost of living though I fear that this will become more and more difficult if we fail to hold the line in wages as well.

Whether subsidies are the soundest or most effective steps to accomplish this, I frankly do not know. I understand, however, that within limits subsidies have proved successful in both England and Canada, where there is a controlled relationship between the cost of living and wages. To the extent that subsidies are in force in this country I am told that they have been effective in checking the rise in some food costs and at the same time in encouraging maintenance of production.

In these circumstances, having applied the principle of limited subsidies for some time, I think it would not be advisable at this time completely to prohibit them as is contemplated in the proposed amendment to the bill extending the Commodity Credit Corporation. But an effective use of subsidies on the one side, presupposes an effective wage control on the other. If the present spread between ceiling prices of certain foods and the cost of production is to be no longer subsidized, or if we are unsuccessful in holding the line in wages, then either production will have to suffer or else ceiling prices will have to be lifted. It seems to me that neither alternative would be acceptable at this time.

Sincerely yours,
HENRY L. STIMSON,
Secretary of War.

THE SECRETARY OF THE NAVY,
Washington, November 17, 1943.
Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR MR. PATMAN: I am glad to have the opportunity to express my opinion that the expenditure of Federal funds to stabilize the cost of living is not only wise and proper, but the failure to permit the continued use of this device may have serious consequences to the country.

There is nothing novel in the use of subsidies to achieve some desired objective of national policy. Certainly the stability of living costs is a matter of deep concern not only to the families of our fighting men, but to war workers in the shipyards and on the production lines. We are spending unprecedented sums for naval and military purposes. If the cost of living can be maintained at present levels, the necessity for wage adjustments is thus minimized. If

living costs are permitted to increase and wages adjusted to meet that increase, the cost of the war will likewise increase. I therefore consider appropriate substantial payments to stabilize food costs a sound investment.

Congress has recently increased the allotments for the dependents of servicemen. I am advised that the pending proposal to extinguish subsidy program would result in immediate increases in the cost of living. Therefore it would not seem desirable to nullify the effects of this increased allotment by permitting food costs to go up. I am hopeful that Congress will sanction the use of every tool to achieve stability in wartime. Subsidies are an important tool that have been used by every belligerent nation to attain maximum production and preserve stability in the price structure. We cannot afford to take the risks which would flow from further increases in the cost of living. I am glad to add my voice in support of the policy which you are seeking to protect.

Sincerely yours,

FRANK KNOX.

WAR PRODUCTION BOARD,
Washington, D. C., November 18, 1943.
Hon. WRIGHT PATMAN,
Committee on Banking and Currency,
House of Representatives.

DEAR CONGRESSMAN PATMAN: This is in reply to your letter to me of November 11, asking for an expression of my views with respect to the bill H. R. 3477 extending the life of the Commodity Credit Corporation with particular reference to section 3 which would prohibit, with certain exceptions, after December 31, 1943, any agency of the Government from using public funds for subsidies for agricultural commodities or commodities processed in whole or in part therefrom.

The war production program at this time would be seriously imperiled if existing price and wage stabilization machinery is removed. An increase in food costs would affect the morale of those war workers who would find food increasingly difficult to obtain. It will be extremely difficult to hold the wage control line if food prices go up to any marked degree. Any dislocation in the labor situation at this time will severely impede the maintenance of existing production rates.

On industrial fronts, subsidies have been successfully used to obtain increased production at minimum prices in a wide variety of fields. After reviewing this matter, I have come to the conclusion that a continuation of the payment of public funds to producers or intermediate processors will have a substantial effect in preventing a widespread increase of food costs that might otherwise result. For these reasons, I feel that the continuance of the subsidy program is essential to the national well-being. If it is not continued, unrest in war plants may result from uncontrolled food prices and gravely retard war production. For these reasons, I disapprove the proposed section 3 of the Commodity Credit Corporation bill.

Sincerely,

DONALD M. NELSON, Chairman.

NATIONAL WAR LABOR BOARD,
Washington, D. C., November 22, 1943.
The Honorable WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

MY DEAR MR. PATMAN: I am glad to reply to your request for my views on the proposed amendment to the bill extending the life of the Commodity Credit Corporation, which would prohibit the use of public funds for subsidies on agricultural commodities.

In my opinion the Congress is on the threshold of making a decision which will affect the daily life of every American. Rises in the price of food since the Congress acted

in October 1942 to maintain prices and wages at September 15, 1942, levels have already reduced the standard of living of many of our citizens and increased the privations of those on low, fixed incomes.

Since May 1943 careful use of Federal funds has enabled the Government to guarantee fair prices to the farmer and at the same time reduce the cost of certain foods for the consumer. The amendment to which you refer would end this program. Food prices at the grocery store would once again resume their upward march and the privations which I have mentioned would increase. The immediate effect, I am informed, would be a 7 percent rise in the price of food and a 3 percent rise in the over-all cost of living.

But this would only be the first act of a national tragedy. Such increase in the cost of living would inevitably renew the tragic race between wages and prices.

The cost of the war will shoot higher as the value of the dollar drops and takes down with it the savings of our people and the allotment checks for the families of men in the armed forces. The letting and performance of war contracts will be bedeviled by the uncertainty of future prices. In short we shall suffer all the evils of a rising spiral of inflation.

In passing the act of October 2, 1942, the Congress showed great wisdom in protecting our citizens from such a calamity. I find it difficult to believe that the Congress at this date would undermine its own good work and subject our people to the suffering which would follow such a blow to the national economy.

In closing may I call your attention to the following paragraph from a resolution unanimously passed by the War Labor Board on June 29, 1943:

"This increasing cost of food gravely affects the wage stabilization program of the National War Labor Board. The Board believes that its established wage stabilization policy is effective. It believes that policy should be carried forward in full cooperation with the other agencies of government responsible for the other factors of the over-all economic stabilization program. But the Board states with all the emphasis at its command that its wage-stabilization program calls for a prompt carrying forward of announced policies of the administration affecting the cost of food. In the considered opinion of the Board, this is essential to the success of national economic stabilization.

"Subsidies are among the instruments which have proved effective to control food prices. The War Labor Board unanimously supports the administration's intention to use those and all appropriate measures in its food price policy."

Sincerely yours,
WILLIAM H. DAVIS, Chairman.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., November 22, 1943.
Hon. WRIGHT PATMAN,
House of Representatives.

DEAR MR. PATMAN: This is in response to your request for an explanation of the effect section 3 of the bill, H. R. 3477, would have upon the sugar programs administered by the Commodity Credit Corporation.

In order to assist growers in maintaining sugar production in the continental United States in the face of increased production costs, provision was made for increasing growers' returns from the 1943 crop sugar beets by about \$1.50 per ton over returns from the 1942 crop. This program is implemented by contracts between the Commodity Credit Corporation and sugar beet processors under which, in order to avoid an increase in the price of sugar to consumers, the Corporation will absorb the increase in pro-

ducers' returns. A similar program has been adopted for Louisiana sugarcane. In addition, the Commodity Credit Corporation is absorbing increased costs of marine and war-risk insurance, ocean freight, handling charges, and internal rail transportation in order to permit sugar from offshore, domestic, and foreign areas to be sold to consumers at existing ceiling prices. The estimated cost of this program for the 1943 crop season is \$50,000,000.

The increase of about \$1.50 per ton in producers' returns for sugar beets is equivalent to about one-half cent per pound of sugar produced from the beets. In order to provide this increased return to the producers through a rise in the price of sugar, it would be necessary to permit an increase of approximately 1 cent per pound of sugar at retail. The reason for this difference is that producers have sold their crop to sugar beet processors under contracts which provide that the processor will receive on the average about 40 percent of the proceeds from the sugar produced and, further, that the margins of retailers and other distributors are computed on a percentage basis.

An increase of 1 cent per pound on the quantity of sugar which is expected to be available for use by domestic civilian consumption in 1944 would amount to about \$105,000,000. The price increase on the quantity of sugar which would be used for governmental purposes would equal about one-half the cost of the sugar subsidy payments. Because of the increase of about \$105,000,000 in expenditures by domestic consumers for sugar and products in which sugar is used, more than the remaining one-half of the present loss would be represented by increases to the Government in purchases of other products. Thus, the elimination of the subsidy payment on sugar would mean a net increase in the public debt as well as increased costs to consumers.

For 1944 the net governmental cost of eliminating the subsidy would be even greater than indicated above because of slightly higher prices to beet producers and slightly lower transportation costs for imported sugar. While there is nothing in section 3 that would require higher prices to beet producers, slightly higher prices probably will be necessary in order to get the needed increased production. For reasons obvious from the above, higher prices for beets or even the present prices would be difficult to justify if the subsidy payment is eliminated.

I understand it has been suggested that the present program for sugar beets and continental sugarcane could be continued or a similar program inaugurated under the authority of section 2 (e) of the Emergency Price Control Act of 1942, which authorizes buying and selling commodities or making subsidy payments to domestic producers as may be necessary to obtain the maximum necessary production. This suggestion appears to overlook the fact that section 3 of the bill now under consideration would prohibit the use of any funds by any agency to carry out activities of this character with respect to any agricultural commodity or any commodity processed or manufactured in whole or in substantial part therefrom. If the bill were enacted the effect, I believe, would be to require either that the price of sugar be advanced, with the consequences outlined above, or that support prices to producers be reduced to the level reflected by existing ceilings.

Sincerely yours,

J. B. HUTSON, President.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, like the gentleman from Texas [Mr. PATMAN], who has spoken, I realize the probable result of

the vote that will be taken today, but the fight that is being made has far-reaching consequences and the final results will probably be decided on another day. The debates on this occasion will probably play an important part on the final conclusion at a later date on this legislation.

This bill is more far-reaching in its drasticness than the bill the President vetoed 4 or 5 months ago. While I have no knowledge as to what action will take place if the bill in its present form or in substantially its present form is presented to the President, it is a reasonable inference to draw that if he vetoed a bill less drastic 4 or 5 months ago similar action awaits this bill.

I have here an interesting letter dated November 20, signed by William Green, president of the American Federation of Labor, which reads as follows:

AMERICAN FEDERATION OF LABOR,
Washington 1, D. C., November 20, 1943.
Hon. JOHN W. McCORMACK,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN McCORMACK: I am appealing through you to the Members of Congress to support the President's recommendation that the serious threat of inflation be met in a constructive way and that authority be given him to control it through the payment of subsidies. It seems inconceivable that Congress should fail to enact necessary legislation providing for the payment of subsidies. One may well ask the question, "What other or better plan can be offered?"

The mounting price of food has already reached the point where it constitutes a serious menace. At the same time the need for increasing production of farm commodities and food items is obvious. That need can be met through the payment of subsidies and by doing so the serious threat of inflation can be successfully met. The farmers of the country are willing to accept subsidies from the Government during peacetime periods when conditions are normal. That fact is reflected through the payment of the Government for the limitation of acreage in crop production and through payments to farmers under the administration of the A. A. A. If they were willing to accept subsidies no matter in what form they were paid during normal peacetime periods, why should they object to the payment of subsidies now when conditions are abnormal and the shadow of destructive inflation hangs heavily over the Nation.

The six and a half million members of the American Federation of Labor support the President in his recommendation and appeal to Congress for the enactment of legislation authorizing the payment of subsidies. In behalf of this great production force, these millions of working men and women, I appeal to Congress to support and vote for the enactment of subsidy-payment legislation.

Very sincerely yours,

WM. GREEN,
President, American Federation of Labor.

In connection with the dangers of inflation, I am going to present some facts that appeal to me. We must bear in mind, first, the consumer goods available; and, second, the national purchasing power.

Individual incomes for 1943 will total \$142,000,000,000, of which \$18,000,000,000 will be siphoned off by taxes. This leaves \$124,000,000,000 or \$125,000,000,000 to compete for a maximum of \$90,000,000,000 in goods and services for people to

buy. We can see that about \$35,000,000,000 is left in dangerous money, which unless checked, may bid against one another and lead to the spiral of rising prices and wages until everybody's dollar is hopelessly devalued. We must keep in mind that everybody's dollar is in danger of being hopelessly devalued. This means farmer, worker, businessman, industry, and Government.

What about the millions of the poor and those in the fixed-income class who have not benefited by any increase of wages as a result of the war? While national income will be about \$142,000,000,000, that does not mean that the income of every individual has increased. There are millions of persons who receive no benefit and yet who will suffer as a result of a sharp rise in prices, if such should take place, as I consider inevitable if this bill passes barring subsidies.

Statistics also tell us that 81 percent of this national income goes to those receiving \$5,000 a year or less.

We must also keep in mind that in the last war there were 4,000,000 men under arms, and in this war there are 11,000,000 men under arms. The total war expenditure in the last war was \$32,000,000,000, and in this war it is estimated to be \$250,000,000,000.

The peak fraction of national production devoted to war in the last war was 30 percent, and in this war it is 50 percent. The peak fraction of industrial output devoted to war in the last war was 40 percent, and in this war it is 70 percent.

The growth of excess purchasing power is shown by the following figures—and these are interesting facts:

In 1939 the consumers' disposable income was \$67,700,000,000; consumers' expenditures, \$61,700,000,000; excess purchasing power, \$6,000,000,000.

In 1940 the consumers' disposable income was \$73,200,000,000; consumers' expenditures, \$65,700,000,000; excess purchasing power, \$7,500,000,000.

In 1941 the consumers' disposable income was \$88,200,000,000; consumers' expenditures, \$74,600,000,000; excess purchasing power, \$13,700,000,000.

In 1942 the consumers' disposable income was \$108,800,000,000; consumers' expenditures, \$81,900,000,000; excess purchasing power, \$26,900,000,000.

The preliminary estimate for 1943 is that the consumers' disposable income will be \$125,000,000,000; consumers' expenditures, \$90,000,000,000; excess purchasing power \$35,000,000,000.

We can see from these figures the danger of excess purchasing power of dangerous money toward inflation unless checked.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman—and I shall not object—may I ask the majority leader if some of us who have been waiting around for 3 legislative days can, before the debate is over, have an opportunity to

get 5 minutes, I mean insofar as the gentleman is concerned? I was sure of that, anyway.

Mr. McCORMACK. I think I have always tried to be generous.

Mr. HOFFMAN. Yes; I know the gentleman has been. I thank the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. The net income of farm operators, after all expenses, in 1919, the post-war peak; was \$8,800,000,000; in 1939, \$4,500,000,000; in 1940, \$4,700,000,000; in 1941, \$6,600,000,000; in 1942, \$10,200,000,000; and in 1943, according to the official Bureau of Agricultural Economics estimate, \$12,800,000,000.

Let us see what happened in the last war under the conditions that existed then. A comparison of index numbers of wholesale prices in the United States, using as the base of 100 the period July 1, 1913, to June 30, 1914, showed that on all commodities the prices remained pretty stationary in the United States until around the middle of 1915, and at the end of 1915 the index had gone up to 108. At the end of 1916 it was 148; at the end of 1917, 202; at the end of 1918, 208.

Let us see what happened to food during the World War. The index remained pretty stationary on food until the end of 1915. In the fourth quarter of 1915 the index was still 100. Then in January of 1916 it was 108. It rose rapidly, and the average for the year was 117, the month of December being 127.

In January 1917 it was 137, and it ended at 187 in December, or an average for the year of 163.

It started in January 1918 at 182 and ended in December at 208. The average for the year was 196.

That shows what happens. It shows what happened during the last war. That is only 25 years ago. That shows what happens unless we have real price control. During the last war we employed the licensing system, and had about five hundred-and-some-odd specific commodities under the licensing system. Prices kept spiraling upward. The farmer was excluded from the license system. The licensing system was applied to the wholesaler. The greatest efforts possible were made, but rising prices could not be stopped. The history of the last war shows that in a period of less than 2 years, approximately 18 months, the index of food, being at 100, rose rapidly until it was close to 200. That was in a period of less than 18 months. That is the best argument I can think of in support of subsidies during this war. If no strong price control is exercised in this war, under existing conditions, prices will go much higher than they did during the last war.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Chairman, now that the battleships, the blockbusters, and the big guns of the House have been heard, it may not be out of order to let a small, very small firecracker make a noise, hence these remarks: I have been in some doubt as to whether the gentleman from Texas [Mr. PATMAN] was opposed to inflation or whether he just wanted subsidies. Whether he was opposed to inflation temporarily or at all times. I say that because I recall very distinctly when we were about to pass bonus legislation the gentleman wanted to pay the bonus in printing-press money. Because of his insistence upon the adoption of his plan for the payment of the bonus, the payments to the veterans were held up for months. Now it may be that the gentleman is in favor of subsidies and that if the House defeats subsidies it would be required of him to go about the country, without remuneration, of course, and educate the people along the line of the necessity for subsidies. The gentleman from Texas makes me think of my boyhood days. Back in the old home town, just a little, small town, the beautiful homey town of Constantine on the banks of the old St. Joseph River, every year along in the early part of the year, with the arrival of spring fever, would come a well-dressed fellow with a banjo, a mouth organ, a gasoline torch, and a wagon with a square platform on the rear.

Along one side of the platform which was enclosed on the sides to a height of a foot or two and 2 or 3 feet above the sideboard ran a rod and over this rod were draped a lot of snakeskins—snake-skins long, snakeskins short, snakeskins black, blue, and mottled. Over on the other side of the platform on a similar rod were strung a row of copper rings, perhaps a few necklaces made of teeth, human or from animals. Then to complete the display and to give it tone and a medicinal atmosphere, on the back of the platform at the top of the endgate there was a flat shelf where all could get a good view, even the small boys, by standing on their toes, could see the row of quart cans filled with tapeworms preserved in alcohol.

The snakeskins were awe-inspiring. The copper rings and the necklaces with human teeth created apprehension. But the tapeworms—boy, oh boy, how they would make the cold chills run up and down my boyhood back, yes, and older and stiffer backs as well, as the orator described the ills from which I, in common with the other children and adults of the community, suffered.

Those tapeworms were horrid looking things. They were a gruesome sight. On more than one night when the spieler held forth on the town square I suffered all the tortures of a vivid nightmare; in fact, so potent was the spell the dispenser of universal remedies cast over me that to this day when I grow bold and venture to master a piece of mince pie, I still awaken in the still, small hours

certain that the crawling, wiggling feeling in my middle is due to a tapeworm uneasy and not at peace with his surroundings.

This advocate and dispenser of a panacea was not only a most excellent banjo player but he was a sweet singer of old songs. His voice and banjo made sweet music, though sometimes he ran away with a good-looking but feeble-minded village girl. He had an inexhaustible flow of language, he was master of four-, five-, even six-syllable words. He would give to us in great detail a description of all the ills that afflicted humans. He described the symptoms of lumbago, of insomnia, of ordinary rheumatism, of a headache, of a toothache, of a stomach ache, of indigestion, of constipation of thought as well as of words, kidney disease, heart failure, lung fever, jaundice, and even mange, ring bone, and spavins. He dwelt so vividly, so powerfully upon the symptoms of various ills that afflict humans and animals that those of us who until his advent had been in the best of health, began to believe that we were in the last stages of some one or more—usually more—of the diseases mentioned.

Some of the younger of us even began to look for ring bones and spavins and wondered if perhaps we were not wind-broken or had lung fever, as it was then called, and strange as it may seem, the gentleman like the gentleman from Texas [Mr. PATMAN] had a remedy for everything, a remedy which was a sure guarantee cure.

He sold his remedies in pints, quarts, and even gallons of it. Sometimes it was labeled "swamp root," sometimes just "tonic," sometimes it was "wahoo." It had many names. It had one feature in common, it would cure whatever "ailed" you, as he put it, and also whatever you thought might ail you. And, if when you came to later, you thought you were in good health long before he had finished you were quite convinced you were a physical wreck and only wished you had more money to spend for wahoo, just as the administration wishes there were billions for subsidies to purchase fourth-term votes.

If you were fat and too heavy, wahoo would make you slim and beautiful. If you were thin and hungry, if as a growing boy or girl you were troubled with a constant appetite, beyond question you had at least one tapeworm and the gentleman would proceed to describe the activities of a tapeworm, a tapeworm more often than not 15 or 20 feet in length, like the one in the jar which he held in his hand, whose cousin or brother you were convinced after hearing him, was very much alive and was the cause of the noises, of the squirming and the twistings which were taking place in your "innerds" as you stood goggled-eyed, open-mouthed listening to his advice and plea—just as those not familiar with the frosting on the arguments of the gentleman from Texas [Mr. PATMAN] listen to his, shall I say, oratorical arguments.

If you had a pain in your head, if you limped, if your meals did not agree with you, if there was anything wrong anywhere, he had the remedy. For rheu-

matism he would sell you a copper ring, at a good price, and it was guaranteed to cure.

If you had a toothache, an ulcerated tooth, he would sell you a necklace of teeth which if worn faithfully for a dozen nights would ease all your pains. If you had a lame back, he would sell you a snake skin. If the pain was on the right side a blue racer skin was proper; if on the left, nothing but the skin of a black snake would do and the directions were to soak it in a mixture of vinegar and wormwood and then rub on the oil and lo and behold, in a couple of days your back would be all right; in fact, stronger than ever. If there was anything wrong with your appetite, if there was anything wrong with your digestion, all you had to do was to take one look at the bottle with the tapeworms in it and, frightened to death, you would spend your last cent to purchase a gallon. His talks were so convincing that even people in our town who were 80 or 90 years old were frightened into purchasing and swallowing quarts of his concoctions, which we afterward learned were 80 percent poor whisky. That fellow did a whirlwind business selling those remedies, and he always left town before a single cure was effected. A moment ago, following the gentleman from Texas [Mr. PATMAN], who likewise has a remedy for everything, provided you let him mix it and administer it, along came the majority leader and he, too, frightened me. He threatened us, not directly—I will withdraw that, because he did not really threaten; he just hinted or in a very delicate way intimated that perhaps if we took certain action there might be a Presidential veto—something all of us fear, or do we? Then he told us, too, that the American Federation of Labor wanted subsidies. We were told if we did not follow, not in so many words, but by inference, but quite plainly, if we did not follow what the A. F. of L. wanted we would be wiped out come election time. You all remember how, when two-thirds of the House and Senate passed certain legislation—the Smith-Connally bill—over the President's veto, we were all told by the C. I. O. and the A. F. of L. that we would never, no, never, no how, no matter how long we lived, as long as we lived—we were never going to be able to come here again as representatives of our people. We, one and all, yes, each one of us, were to be executed politically. You remember the results of the last election. The union politicians did not get any of us, did they? Why? Because union employees know that we have their interests in mind, know that this House will always give the actual employees just a little better than an even break. Now, what is the use of listening to all that patent medicine talk put out at such great length during the last 4 legislative days? There has been something like 5 hours of it, all devoted to selling a quack remedy. The gentleman has us into every conceivable disastrous situation that his imagination can conceive or his words picture, and he always has a remedy. It may have many labels on the bottle, but it is the same old "wahoo"—spend and

spend the other fellow's money. And the spending has been for the purpose of convincing the people that were confronted with an emergency, with a crisis. I will concede that we are confronted with a great danger—inflation—but it is one created by the New Dealers, and neither the gentleman's oratory, spellbinding, or unfounded charges, nor yet his quack remedies, will aid us.

Two years ago next Sunday, on the 28th day of November 1941, after 4 days of debate, this House, by a vote of 224 to 161, passed the administration bill which was designed to, and which it was said would, stabilize the cost of living, prevent inflation.

On January 30, 1942, having passed the Senate and been signed by the President, that act became the law of the land—Emergency Price Control Act of 1942, title 50, supplement 2, United States Code, 1940 edition.

The administration had told the Congress that the Nation was threatened with inflation which would bring disaster. It presented a bill the enactment and administration of which it said would prevent the threatened disaster—inflation. The Congress adopted that act. The President signed it, and the administration from that day to this for its enforcement has had all of the authority and all of the money for which it asked.

Some of us did not believe that the act would accomplish the desired purpose. Subsequent experience has demonstrated the correctness of that conclusion and, as well, one of two things—either that the act was not properly designed for the purpose for which it was proposed or that its administration has been faulty. In my judgment, it is subject to both criticisms.

The President has gone beyond the terms of the act to force his policies upon the American people. The Congress expressly provided that the prices of certain agricultural products should not be fixed without the consent of the Secretary of Agriculture.

Nevertheless, the President, by Executive order, nullified the act of Congress which gave the Secretary the veto power by providing, in section 3 of Order No. 9250, that the Economic Stabilization Director should settle any difference of opinion between the Secretary of Agriculture and the Price Administrator growing out of the fixing of the price of agricultural commodities, thus destroying the power Congress gave the Secretary of Agriculture.

Having been granted all the authority and all the money for which he asked and having failed in the task of preventing inflation, as the present request for subsidies demonstrates, it is not fair for the President, through Under Secretary of War Patterson, through Chester Bowles, or through other administrative agencies or political allies, to now tell the public that the refusal of Congress to grant him millions—yes, billions—of dollars to be paid out to special interests in subsidies, will bring about inflation. He cannot shift the responsibility for his failures to Congress.

The President is seeking a fourth term, and the political strategy on the part of the fourth-termers is to use the Public Treasury, the taxpayer's dollar, once more, as before it has been used, as has been shown by reports of Senate committees controlled by his own party, to influence a Presidential election.

We know from experience that money granted for the triple A was used to influence voters. We know by the report of Senate committees that other funds appropriated to relieve distress were used to influence elections in Kentucky and elsewhere and I, for one, do not propose to let this charge of the President—that the Congress by refusing to give him subsidies will be responsible for any inflation which may follow—go unchallenged. That charge is not true. It is an attempt to save face by "buck passing."

When price control and inflation were being debated here 2 years ago, we knew and this administration knew, that inflation could not be prevented by the fixing of prices, unless wages were also stabilized.

The Congress was asked to order the stabilization of prices of commodities but it was asked to leave the question of wage stabilization in Presidential hands, with his promise that he would stabilize wages. That promise he has failed to keep and as a result today we are on the verge of run-away inflation. We have forced the people to take the New Deal wahoo, its pain killer, its swamp root, its lullaby drops, its snake oil, and to wear the copper rings—most of them hooked through the noses of Members of Congress. But the patient has steadily grown worse.

The President realizes the danger and now, to avoid the consequences of his own political bargain with the C. I. O. and other organizations, he is asking us to tax all of the people to pay special benefits to his political allies. Stabilization cannot be accomplished in that way.

The Congress should once more resume its constitutional duties and responsibilities and enact legislation, which will actually bring about stabilization, prevent inflation, as a former Member of this body who has since entered the armed forces by enlistment—I refer to the gentleman from Tennessee [Mr. GORE]—begged us to do 2 years ago.

If disastrous inflation follows in the ensuing months, the responsibility rests squarely upon the shoulders of the President and his economic advisers who are seeking, not stabilization, but votes for a fourth term.

The administration has the power to prevent inflation. If it does not take effective steps without further delay, Congress should do so.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, the farm-baiting bloc is opposed to section 3 of this bill. Every predatory interest seeking to exploit the farmer is opposed to section 3 of this bill. Every group trying to reduce its cost of living at the expense of the farmer is opposed to section 3 of this bill.

All of them follow the same formula. The robbing, grabbing, profiteering farmer is rolling in unearned wealth filched from the down-trodden consumer—the consumer who is getting the largest income he has ever earned in his life.

The greedy farmer is starving the defenseless city dweller who, as a matter of fact, is living in the greatest luxury today ever enjoyed by the average family in the history of the world.

The taxpayers of the country are lifting their hands in supplication, begging and pleading to have this extra burden—estimated to eventually reach \$5,000,000,000—taken out of the United States Treasury and placed on their shoulders.

That is the universal song and dance staged by all these advocates of Government subsidies, free groceries, and high taxes. All three go together, subsidies, free groceries, and high taxes. You cannot have one without the other. The only alternative is to dispense with all three. And that is what section 3 of this bill proposes to do.

The farm-baiting bloc would have us believe that the taxpayers and bond buyers are eager to have this money taken out of the Treasury and spent for free food for the city consumer who is today, according to actual statistics, paying the smallest part of his income for food in the economic annals of the Nation—16 cents out of every dollar. Only paying 16 cents out of the dollar for the bountiful table you find in every city home—and yet the farm-baiting bloc wants to save the poor fellow the 16 cents, and charge it to the returning soldiers. The soldier will have 6 months' pay while he looks for a job and his wife will have saved something from her \$50 a month while he has been crossing bayonets and exchanging hand grenades with the Japs and Jerries and the soldier and his wife will be glad to pay the grocery bills of the dear boys who stayed at home and made big money during the war while the servicemen fought it out in the putrid fox holes of the Pacific and on the bloody beaches of the Mediterranean.

The soldiers are not here to speak for themselves. But the bond buyers and taxpayers are here and this is what they are saying about it. They are saying "We are willing to pay taxes and buy bonds to feed the servicemen fighting for their country, and we are willing to pay to feed the unemployed. But we'll be damned if we pay taxes and buy bonds to feed the employed who are all munition workers and white-collared workers, drawing down the biggest pay they have received since they left their father's roof."

In this connection, a great many tears have been shed over the deplorable condition of the white-collared worker when farm prices go up. But they always conveniently overlook their condition all those years from 1920 to 1932 when farm prices were going down. Every year farm prices went down until the farmer's clothes were patched, his harness tied with binder twine, and his machinery held together with baling wire. And

every year the buying power of the white-collared worker increased and pyramided. But no one had anything to say about buying power in those days. It is only when the farmer, slowly, painfully struggles back toward normal that the white-collared consumer, who has been drawing the same salary all these years and living at the farmer's expense all these years, begins to talk about the buying power of his stationary salary.

The opponents of fair farm prices in the open markets know they cannot defeat this bill and cannot take out section 3. So they endeavor to practice a little *legèrdemain*. They try to amend and do indirectly what they cannot do directly. They offer an amendment asking us to compromise with evil. But if it is evil after September 30, it is evil after January 1. You cannot compromise with a thing like that. Either it is right or it is wrong. And subsidies are wrong both in January and September. The amendment is offered by one of the ablest and one of the most sincere Members of the House. I think a great deal of him, but wittingly or unwittingly, his amendment plays into the hands of the farm-baiting bloc.

And tying in with the Little Steel formula is handcuffing it to a corpse. The Little Steel formula has already been broken. It is moribund. And if raising income above the formula—and I am not objecting to it—fails to start inflation, then failure to roll back farm income will not start inflation.

My good friend the gentleman from Texas [Mr. PARMAN] challenged you to produce an alternative. Why, alternatives are on every side. Nobody has to produce an alternative. They are as numerous as the stars in the firmament—as numerous as the commodities and services entering into the farmer's cost of living and costs of production. All the farmer asks is to have the same alternative that everybody else has.

The alternative is for the consumer to buy his products like he buys the products of the farm-machinery manufacturer, to buy food like he buys fertilizer—a fair price in the open market. The alternative is a wage for his labor in the open market, along with the wages of every other laborer in the open market, and he is entitled to it. He works longer hours than any other group in America. He is the only laborer whose wife and children work with him, without pay, and he receives less per hour than any other laborer—and yet he is the one man they want to roll back. Others are increasing, but the farmer is to be subsidized and rolled back. Only the farmer is to receive a part of his price in the market and the rest from the Treasury taxpayers—a part of his wages in the open market and the rest from the bond buyers. And after the war, when the inevitable depression comes and the bond buyers and taxpayers wipe out subsidies, he will be left just like he was after the last war—his banks breaking, his farm under the sheriff's hammer, and his family destitute.

All these people who are asking to live at the farmer's table without

paying board, are against section 3. Now, let us see who is for section 3.

The farmers are for it. Farm organizations all over the country are for it. Farm leaders are for it, and are urging adoption of section 3.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Both Houses of the Congress of the United States are for it. Let us go back and look over the record made in this and preceding Congresses on subsidies. In every instance in which the question of subsidies has been presented as an issue in this House, the proposition for subsidies has been overwhelmingly defeated. On the first yea-and-nay vote on subsidies taken in the House in the Sixty-eighth Congress, the vote was 90 for subsidies and 229 against. There has never been a vote on the sole question of subsidies in either House or Senate in which subsidies were not overwhelmingly defeated and that indicates convincingly and conclusively the attitude of the people back home.

The farmers are opposed to subsidies. The people are opposed to subsidies. The Congress is opposed to subsidies. The taxpayers and bond buyers are opposed to subsidies. Mr. Chairman, I do not even believe the rank and file of the consumers are for subsidies. The American consumer, for all his personal interest in cheap food, believes in fair play and fair dealing and has a warm sympathy in his heart for the underdog. They do not want alms or Government hand-outs when they are self-supporting and self-sustaining, and they especially object to taking advantage of the farm producer whose prices are less than their own and the farm laborer whose hours are longer and whose wages are lower than their own. In keeping with the wishes of the farmers, the Congress, the taxpayer, and the fair-minded American consumer, this amendment, and every other amendment to section 3, should be voted down.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto be limited to 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. H. CARL ANDERSEN and Mr. MILLER of Connecticut objected.

Mr. PATMAN. Reserving the right to object, there are four amendments at the desk which I intend to offer. I do not care to take up much time, but I would like to have 5 minutes on each amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, I demand the regular order. Objection has been made.

The CHAIRMAN. Permit the Chair to state he is advised that there are four other amendments to this section on the Clerk's desk. The gentleman from Arkansas [Mr. HAYS] has an amendment pending to line 2, page 5.

The gentleman from Pennsylvania [Mr. KUNKEL] has an amendment pending to line 6, page 5; the gentleman from California [Mr. FORD] has an amendment pending to line 24 on page 5. The gentleman from Texas [Mr. PATMAN] has an amendment pending to line 2 on page 6. These four amendments are now on the Clerk's desk.

Mr. BROWN of Georgia. Mr. Chairman, I withdraw the request.

The CHAIRMAN. Is the gentleman from Pennsylvania [Mr. KUNKEL], a member of the committee, now seeking recognition?

Mr. KUNKEL. I wish to speak on my amendment if it is in order at this time.

The CHAIRMAN. There is an amendment now pending, but the gentleman may ask unanimous consent to have his amendment read for information if he so desires.

Mr. KUNKEL. Mr. Chairman, I prefer to wait until my amendment is in order.

Mr. McCORMACK. Mr. Chairman—

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, the situation is that a delegation of important Members of this House, appointed to attend the funeral of one of our late Members of many years' service, is leaving at 6:25 p. m. I am just explaining the situation to the Members of the House. Certainly we want an official delegation to be present at that funeral; on the other hand it seems only right that if this bill is not disposed of before the train leaves that those Members who attend the funeral representing this body should be protected in their voting. If the bill can be disposed of by 6 o'clock then I assume the delegation can make arrangements to go. I have briefly explained the situation in such way that I hope every Member will thoroughly understand.

Mr. MARTIN of Massachusetts. Mr. Chairman, I may say that a good many Members are here today and had planned to come today and expect this vote to be had sometime tonight.

Mr. McCORMACK. And the train leaves at 6:25 p. m.; that is my understanding.

Mr. KNUTSON. Mr. Chairman, why does not the distinguished majority leader move to close debate?

Mr. McCORMACK. We do not like to cut off debate peremptorily.

Mr. KNUTSON. But this is an unusual situation and calls for it.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close at 5:15.

Mr. RANKIN. Mr. Chairman, reserving the right to object, if we do not reach a roll call on this bill before 5:15 then the delegation cannot catch their train.

Mr. McCORMACK. I think they can.

Mr. RANKIN. If it is desired that this delegation catch this 6:25 p. m. train the gentleman might as well begin to shut off debate now, allowing 5 minutes for and against each amendment.

Mr. McCORMACK. I am merely explaining the situation to see if we can meet it.

Mr. RANKIN. Move to close debate; that is the way to do it.

Mr. PATMAN. Mr. Chairman, reserving the right to object, I presume that the gentleman means that the amendments will come first and that there will be 5 minutes on each side.

Mr. McCORMACK. I am sure the Committee would not have to give any direction to the Chair. The Chair is sufficiently acquainted with the situation and the membership to be able to recognize the author of each amendment and one Member to speak against it. I am sure we will all be satisfied with what the Chair does in recognizing those in opposition to the amendment. Those who have legitimate amendments to offer should be recognized.

Mr. ROBERTSON. Mr. Chairman, reserving the right to object, I have a very minor amendment to offer to line 8 on page 5, section 3. Will I have an opportunity under this arrangement to offer that amendment?

Mr. O'CONNOR. Mr. Chairman, reserving the right to object, I do not want to interrupt the program, but I have an amendment to propose at the end of the reading of this bill which I regard as very important.

Mr. McCORMACK. This relates only to this particular section.

Mr. O'CONNOR. What I am trying to get at is whether I shall have at least 5 minutes in which to discuss it.

Mr. McCORMACK. Does my friend from Montana want a delegation at the funeral of this distinguished late Member of this body?

Mr. O'CONNOR. I represent 360,000 people in my State who are concerned with this bill and I have an amendment affecting their interests.

Mr. McCORMACK. The gentleman has not answered my question.

Mr. O'CONNOR. What is the gentleman's question?

Mr. McCORMACK. Does not the gentleman want a delegation from this House to attend this funeral?

Mr. O'CONNOR. I do not want to interfere with what any delegation does or wants to do. I want to do my duty as I see it.

Mr. McCORMACK. Let us see if we cannot be practical.

Mr. RANKIN. Mr. Chairman, I move that all debate on this amendment do now close.

I move that, Mr. Chairman, and ask for a vote on it.

The CHAIRMAN. The gentleman from Massachusetts has the floor.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent—we have got to protect Members with legitimate amendments. If we close debate they are not protected.

Mr. RANKIN. Move to close debate.

Mr. McCORMACK. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. BRADLEY of Pennsylvania and Mr. BARRY) there were—ayes 123, noes 157.

Mr. MONRONEY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. BROWN of Georgia and Mr. MONRONEY to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 120, noes 154.

So the amendment was rejected.

Mr. HAYS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Chair may say it is proposed to recognize gentlemen to offer these amendments in the order that the amendments would appear in this section of the bill. The amendment of the gentleman from Arkansas is to line 2, the amendment to be offered by the gentleman from Pennsylvania, line 6, and so forth. The Clerk will report the amendment offered by the gentleman from Arkansas [Mr. HAYS].

The Clerk read as follows:

Amendment offered by Mr. HAYS: On page 6, line 2, amend section 3 by striking the period, inserting a comma, and adding the following words: "for livestock feed."

Mr. BROWN of Georgia. Mr. Chairman, I move that the debate on this section and all amendments thereto close at 5 minutes after 5, and that each speaker be limited to 3 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Arkansas [Mr. HAYS] is recognized.

Mr. HAYS. Mr. Chairman, I undertook in my discussion of the amendment presented by the gentleman from New York to explain the purpose of this amendment and I do not wish to impose upon the House by elaborating greatly on that statement. The purpose of my amendment is merely to authorize a continuation of those operations in which the Commodity Credit Corporation is now engaged by which livestock feed is moved from one part of this country into another where because of drought or some other disaster livestock feed is not available. The bill would stop the importation of hay at a loss to the Commodity Credit Corporation, a loss occasioned largely because of transportation expense to the eastern part of the United States, Maryland, Virginia, and adjoining States, and it would also affect the shipment of feed into my part of the country, the great Southwest, where we had, as you know, not only a drought this year but a flood in the earlier part of the season.

Mr. HINSHAW. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. HINSHAW. Would it permit the shipment of feed into areas where they have not grown feed but need it very badly and customarily import it?

Mr. HAYS. It would.

Mr. COOLEY. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Unless the gentleman's amendment is adopted, the Commodity Credit Corporation cannot carry on in the future as it has in the past and provide feed where it is necessary in distressed areas of the country?

Mr. HAYS. That is correct. I hope the committee will adopt this amendment and enable this worth-while activity to continue. I am sure you have seen in your own States in many seasons conditions such as those that I have described, a drought or a disaster, that deprived growers of livestock the feed that they desperately need.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. VOORHIS of California. I think the gentleman's amendment is mighty important to a lot of people in my district, and I am for it.

Mr. O'CONNOR. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Montana.

Mr. O'CONNOR. Does it cover all classes of livestock?

Mr. HAYS. It covers everything that the expression "livestock feed" would embrace.

Mr. O'CONNOR. I am for the gentleman's amendment.

Mr. CRAVENS. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arkansas.

Mr. CRAVENS. Your amendment leaves all controls and limitations that are applicable to this bill, applicable to this additional item that you add to it?

Mr. HAYS. Yes. It leaves unchanged the present operations of the Commodity Credit Corporation involving feed and wheat as a substitute for corn in certain areas and the shipment of hay which I have described.

I trust the committee will help out to that extent and not work a discrimination against the farmers who have suffered misfortune.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FULBRIGHT. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas [Mr. FULBRIGHT]?

There was no objection.

Mr. FULBRIGHT. Mr. Chairman, from the many able speeches concerning subsidies I believe two fairly clear conclusions may be drawn. First, it seems to me that as a theoretical proposition on paper the payment of subsidies can be justified. In certain limited fields, such as copper, subsidies have been successful and have saved the Nation many millions. Likewise, we know that on a relatively small scale and under very

different conditions subsidies have been successful in Canada and in Britain.

Nevertheless, and in spite of these examples, and in spite of the theoretical soundness of subsidies, I think the second conclusion is that this Nation does not want these consumer subsidies and that this Congress is not going to approve them. The fundamental reason for this is simply that neither the people nor this Congress believes that the subsidy program can be or will be efficiently or properly administered.

The reason for this distrust of the administering agencies is not found in a single instance of maladministration. It is found in a long series of relatively insignificant instances of unwise, but more especially arbitrary, actions of the various administrators. Perhaps of even greater importance is the fact that the bureaus have been unable to administer the laws without practically suffocating everyone with mountains of regulations and questionnaires that few people can understand.

In short, I think the basic objection to subsidies on a large scale, touching millions of small producers, is the distrust that the Congress and the people feel toward the administering agencies. It is true that we like to say that this is a government of law and not of men, yet we know in our hearts that laws are not self-executing and that no system of government can be any better than the men who make it function. The only real solution to this very difficult condition is that wiser and more experienced men be induced to undertake the administrative task—men especially who recognize that this House of Representatives has a responsibility in these matters, and men who are willing to cooperate with the Members of this House.

In this connection, I should like to say one word concerning the Kefauver resolution now before the Rules Committee. That resolution has for its purpose the solution of this difficulty that confronts us now. We all know that there is a lack of confidence and cooperation between the executive agencies of the Government and the Congress. The best way I can think of to restore that mutual confidence so essential to a government of checks and balances, such as we have, is for the heads of the administrative agencies to come before the whole House and explain and justify their administration. That is the objective of the Kefauver resolution. I do not believe that the possibility of intemperate squabbles is sufficiently grave to outweigh the great benefit that will certainly be derived from a better understanding of each other that will certainly result. One has only to recall the recent meeting of this House with the representatives of the military and also the address of Secretary Hull.

Under present conditions, our system of checks and balances is all checks and no balance. It is dangerous not only to the prosecution of the war, but also to the preservation of peace in the world and prosperity here at home. I believe it is our duty to take the first step toward breaking up this impasse and the Kefauver resolution is a good first step.

In the meantime, I think the real reason why we in this House object to subsidies is that we have little confidence in the wisdom and efficiency of those agencies that must administer the program. I recognize that this is a dangerous step we are proposing to take, but I hope that it may result in a greater degree of cooperation between the executive agencies and the Congress than has hitherto existed.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arkansas [Mr. HAYS].

Mr. Chairman, about the only difference between this amendment and the amendment offered by the gentleman from New York [Mr. HALL] is the location of the problem. The gentleman from New York [Mr. HALL] and the eastern seaboard have a problem in respect to feed for poultry. The gentleman from Arkansas has a problem in respect to feed for livestock. There is no reason so far as this bill is concerned why an equitable, just program should not be worked out to get all of the essential feed, all of the necessary feed, to both the poultry growers of the East and to the livestock growers of the West if the acts which have already been set up are judiciously administered.

Of course, this amendment should not be added in this particular place. We have at the suggestion or request of the administration exempted competitive domestic vegetable oils and fats and oilseed because of the program of the administration to raise all of the fats that they can. This was first put in the bill which was passed by this House last June or July. I refer to the one which the President vetoed, at the suggestion of the Commodity Credit Corporation, they having already laid out a program for loans to encourage the production of competitive vegetable oils and fats. It was not put in here because anybody in particular in the Congress insisted upon it. It was put in here at the insistence or at the request of the Commodity Credit Corporation to get the maximum production of vegetable oils and fats. I never contended it had to be in here, but it is in there and, so far as I am concerned, it might go out, because I think that domestic vegetable fats and oils are adequately protected in other provisions of the bill, just as I think that livestock feeds and the adequacy of that program is protected in other provisions of this act.

This amendment should be defeated, for the same reason the amendment offered by the gentleman from New York [Mr. HALL] was defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 72, noes 141.

So the amendment was rejected.

Mr. KUNKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KUNKLE: On page 5, line 16, after "December 31", strike out "1943" and insert "1944."

Mr. KUNKEL. Mr. Chairman, this amendment makes only one change in the bill; in fact, it changes only one figure. In line 16 on page 5 it changes the date from "1943" to "1944", thus giving one more year for the Commodity Credit Corporation to end those subsidies which are now being administered and which were started before October 13, 1943. It does not approve consumer subsidies in any way, because every prohibition against them that is contained in this original bill is continued. It does not destroy the support program or the loan program because those provisos are also continued in it.

If you shut off within a period of 20, 30, or 40 days all the present subsidies being paid you are apt to cause a dangerously sharp rise in the cost of living index which might easily be interpreted as one of the many milestones on the road to inflation, so the idea of this amendment is to ease that reduction off over a period of 1 year.

You have seen in this House today that there are probably enough votes to sustain a veto, which is what we can expect on this bill as now presented.

If the veto is sustained, the Committee on Banking and Currency of the House will probably have to act again on interim legislation that will have no prohibition on subsidies and not refer to them at all. The effect of that is that you will have a high, wide, and handsome subsidy program, including everything the O. P. A. and the administration here in Washington want to subsidize.

For that reason, I think this amendment should appeal to those who are opposed to subsidies, as well as those who do not wish to have any sharp jump in the cost of living index which might be interpreted as one milestone on the road to inflation.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Minnesota.

Mr. JUDD. Does not the gentleman's amendment say in effect that we believe that opium is a bad thing and that consumer subsidies are opium; but that when a man has so mismanaged his life that he has developed an addiction to it we do not dare shut it off all at once, no matter how much we would like to? If we vote for the gentleman's amendment, it does not mean we are approving subsidies, but that we are stopping them gradually so as not to create sudden economic dislocation or alarm in the minds of many people who have been led to believe that stopping subsidies means inevitable uncontrolled inflation. Is that what the gentleman's amendment is designed to do?

Mr. KUNKEL. That is correct. These subsidies have been built up over a period of a year and a half, added to one by one. Now you say in the space of 30 days we are going to cut them all out irretrievably and at once.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from South Dakota.

Mr. CASE. Does it not prove, then, that subsidies are an opiate and a soothing sirup?

Mr. KUNKEL. I am against subsidies. The bill is against subsidies. The amendment keeps every disapproval of subsidies right in it just as stated.

Mr. JUDD. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Chairman, there are two main factors, economic and psychological, which we must take into account in considering the provision in section 3 forbidding the use of any moneys for the payment of consumer subsidies after December 31, 1943, and the amendment of the gentleman from Pennsylvania [Mr. KUNKEL] to extend that deadline to the end of next year, 1944.

If there were only the economic standpoint to consider, I should favor the bill as it stands. I am opposed to the principle of paying consumer subsidies out of the Federal Treasury, except under one main condition—namely, when prices have risen or are threatening to rise more rapidly than wages. Under those circumstances, judicious use of consumer subsidies would probably be the best way to keep up adequate income to the producer without increasing the cost to the consumer thereby leading to a need and a demand by him for a raise in his income.

But that situation does not prevail in our country. Wages have risen more rapidly than prices. As has been shown here repeatedly the cost of living has increased 23 percent since 1940, wage rates 37 percent, and total wages received per week by industrial workers almost 70 percent. As the beloved chairman of the committee, Mr. Steagall, whose untimely death we mourn, showed in his last speech on this floor, price increases all these years have followed, not preceded, wage increases.

To maintain that holding down prices alone can prevent inflation is illusory. Rising prices are not the cause of inflation; they are the inevitable, ultimate result of inflation. The cause is too much purchasing power for the amount of commodities available.

We already have such an excess of purchasing power. To pump more Government money into the Nation's economy by increasing the consumer subsidy program can produce only one result—still greater purchasing power and greater pressure on the price ceilings; therefore such subsidies are definitely and inevitably inflationary. They are like a hypodermic of morphine in a case of acute appendicitis; they mask the symptoms temporarily, lull the patient to sleep, give him a false sense of security, but the disease process continues without his recognizing it. And he may die for lack of the more drastic operation he no longer realizes he needs.

When purchasing power has risen more rapidly than price levels, consumer subsidies tend not to hold the line, but to break it.

There are only two ways we can prevent inflation in the long run—either increase production so there is enough food to go round, or else reduce pur-

chasing power. To do the latter would require reduction of those wages which have increased relatively too rapidly, and I doubt that any of us believes that would be possible; or by increased taxes, enforced savings, and bond purchases from those groups where the greatest increases of income have occurred. It does not appear our tax experts are willing to make a real assault on this problem.

In the second place, I agree that it is wrong and unsound policy to be paying part of today's board bill with subsidies borrowed from tomorrow's income, to ask returning soldiers and even unborn generations to pay for their own food and part of ours, too.

Furthermore, for every dollar we get in subsidies now they will have to pay back two to three ultimately.

The administration's propaganda on this question has caused a widespread misconception, rather than true understanding of the economics of subsidies. Otherwise we would not get letters demanding in one paragraph that we vote subsidies to help pay the writer's living expenses, and in the next paragraph that we do not increase taxes—at least not for them. From what source can subsidies come except taxes? We can have our cake, or we can eat it, but not both. What surer way is there to lead to devaluation of our currency than by continuing our headlong rush toward national insolvency?

Third, I agree that the plight of many white-collar workers with fixed income is so bad as to be approaching desperation. I believe they should be allowed by the authorities to get wage increases where the employers are willing as is so frequently the case. Or the squeeze on him should be eased by the use of food stamps. If that is considered by some as governmental charity, just what makes it less a charity for the Government to be making gifts by subsidies to Fords and Rockefellers as well as the family with fixed income?

Great as is our concern for the white-collar worker, our very first responsibility is for the solvency of the United States Treasury. If that goes, nothing anyone gets will be worth more than a plugged nickel.

Fourth, I agree that if we do not prevent now further extensions of the consumer subsidy program it will be all but impossible to stop later. Now they demand Government money to help pay their food bill, or else. Next month they can say that clothing prices are rising and the Government must help buy the next new suit, or else. When and where can it be checked if not now? And especially with a national election approaching.

Fifth, I agree that demands by organized labor for wage increases have come, are coming, and will come no matter whether we grant subsidies or not. Some groups would prefer that we forbid subsidies so that they could use this action as a pretext for further demands. But if we do not give them the pretext, the demands are coming just the same. I warn that subsidies will not hold them off.

Sixth, I agree that the administration asks for these new subsidies in part to try to cover up its mistakes, to escape the inevitable results of its failure to enforce the Price Control Act according to the plain intent of Congress. To imagine it could get economic stabilization, could hold the line against inflation by freezing prices while allowing increases in actual income to huge sections of our people was like trying to keep a ship from sinking by closing the portholes on only one side.

Thomas Jefferson described exactly the sort of a situation we face today better than any one else has expressed it, when he said:

Were we directed from Washington when to sow and when to reap we should soon want bread. I am for a government rigorously frugal and simple—and not a multiplication of offices and salaries merely to make partisans and for increasing by every device the public debt on the principle of its being a public blessing.

And yet, despite all the economic factors which I submit are overwhelmingly against consumer subsidies in the situation which exists in our country today there is a psychological factor which we dare not ignore. For months there has been persistent and insistent propaganda from Washington that forbidding all consumer subsidies will automatically lead to inflation. I am convinced that view is not sound or justified, but that does not change the fact that millions have come to believe it implicitly.

Mr. Chairman, the psychological situation has been skillfully built up to the point where passage of this bill, as it might I fear, precipitate a general belief that inflation is inevitable, a loss of confidence in our War bonds, even our currency. There does not actually have to be a fire to start a panic. For some to cry it repeatedly and make the people believe there is a fire can lead to just as disastrous results. If the general public became convinced that our money was bound to depreciate through inflation, and savings accounts began to drop because people were withdrawing them to put into real or personal possessions, a downward trend would be started whose course could not perhaps be controlled or whose end predicted, therefore, I hoped both sides could agree on a compromise amendment such as the gentleman from Oklahoma [Mr. MONRONEY] introduced, which would, for the first time, tie wages to prices and prices to wages. The administration's failure to do this heretofore is, I believe, the single biggest cause of our whole economy being so badly out of balance.

Since that failed, I hope we can accept this amendment of the gentleman from Pennsylvania [Mr. KUNKEL] which will permit a continuation through next year of the subsidy programs announced prior to October 13, 1943, but will prevent extension to other commodities.

Consumer subsidies, when income has risen more than prices, are opium, and all opium is bad if used regularly. Yet there are conditions where, except for opium, the patient could not endure long enough for the healing processes to get under way. The thing we are against

is not opium, it is the misuse of it, the developing of the opium habit, demanding ever more and more.

However bad a patient's addiction may be we must be judicious in withdrawing it lest the remedy induce an earlier catastrophe than the affliction. If that is called compromise, then may I say that doctors have to carry out that sort of compromise daily. He does not want the operation to be successful but the patient dead, when by doing gradually all the patient can stand, rather than all he needs, we have a better chance of getting both a successful operation and a living and more healthy patient.

Mr. Chairman, I hope the amendment to continue the present program for a year and forbid any extension will be adopted. I believe the risks it holds for our country's whole economy are less than those involved in sudden complete prohibition of all consumer subsidies, because that could conceivably set off an uncontrolled inflation which would be the very worst thing that could happen to the country, second only to military defeat.

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent to extend by own remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Chairman, in consideration of the limitations of time, and having spoken on the subject of the present subsidy program, and its fallacies, several times during the past few weeks, I did not request time during the general debate. The sudden deaths of two of the most distinguished Members of the House have now made it necessary to crowd 2 days further debate into 1 day.

I feel, however, that several brief comments should be recorded at this point in the Record. The first is an admonition to beware of statistics in the hands of inexperienced and uninformed people. The gentleman from Texas [Mr. KLEBERG] spoke of columnists and their figures. Now we have the wife of the President of the United States, offering some figures which might be interesting if they had any foundation in fact.

Let us see how these figures are obtained. The statistics of the Bureau of Labor Statistics are available to everyone. The majority leader the gentleman from Massachusetts [Mr. McCORMACK] used some of them this afternoon. I rose to commend him and to say that his figures were accurate and that I hoped he would continue and use comparable figures for this war. Such comparison would then show that food prices, under the most rigorous control in our history, are actually rising more than in the last war, under the sort of control I want to see applied to this crisis.

The base for the figures used by the majority leader, and by the columnist whose article has been referred to, and by the radio commentator who so irritates the gentleman from Michigan [Mr. HOFFMAN] and others, is the year 1913. That was 4 years before we entered the

last war. By 1917 the index had risen to 151.

These figure users then jump hastily to another base, the average of 1935 to 1939, and use that for the present increases. Would it not be fairer to take some comparable base, or to tell the folks who are supposed to be frightened by these figures, that prices had more than doubled in the meantime?

If the price of all meats was 18 cents in 1913, and 24 cents in 1917, and about 30 cents in the year before the end of the last war, would it not be fairer to tell the folks that the price was about 36½ cents when we entered this war, and now only about 43 cents, not recognizing, of course, the black market, with which the administration simply does not seem able to cope, and which is flourishing like the proverbial green bay tree?

So if we take a 5-cent or a 6-cent rise in either period and figure it against a doubled base in the present war, it is very easy to fool the people by saying that the percentage of increase is less now. Actually I hold the percentage, against comparable bases and over comparable periods, to be greater now than in World War No. 1.

But I am not overcome with figures. I think the wife of the President should understand that statistics in the hands of the uninformed are as dangerous as a gun in the hands of the inexperienced. When one reads that butter will advance 9.9 cents, one wonders what ignorance or lack of statistical integrity produced that figure. Mr. Marvin Jones says butter should advance about one-half cent. The War Food Administration has allowed a 5-cent advance, by subsidy. Where is any basis for a 9.9-cent figure, except in an always fertile imagination?

So let us understand these things: The bill before us does not destroy price control nor price ceilings. It does not follow that consumer prices will rise if the bill is passed. The recent announcement of the O. P. A. that forty millions of dollars will be saved to the consumers of citrus in the coming year, because that is the amount the handlers got, by O. P. A. regulations, more than they deserved, or expected, is at least a suggestion as to where savings to the consumer may be made. Meat, potatoes, other commodities, have been listed in these debates as not requiring consumer increases.

Finally, why not tell the whole truth about the situations in England, Canada, Germany? Each country is doing exactly what the supporters of this bill want the administration to do. I do not know anyone on this side of the House who is opposed to production subsidies. Certainly we are as much concerned over inflation as anyone; more so, I think, after hearing the arguments of the bill's opponents. We want centralized management and control; we want production encouraged. If we have subsidies, as we will have them, we want production support, and I call the attention of the Members to the fact that so thoroughly does Canada follow this wiser program that when subsidies are allowed in a few commodities, the subsidy is later

"renegotiated" if the one receiving it is discovered to have made enough without it, in that harvest, or even in a later harvest. It is not too late for good administration, and over-all control; the alternative is inflation.

Mr. HULL. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HULL. Mr. Chairman, while I am among those who believe that the Commodity Credit Corporation should be continued in operation, I am not in accord with the measure under consideration. I am opposed to the move to stop subsidy payments to farmers as is provided in section 3 of the bill.

Section 3 should be eliminated. I feel that its effect will be to further hamper and restrict the production of food. It would end subsidy payments on January 1, 1944, thus reducing the farmer's income at a season of the year when his costs are greatest. Subsidy payments now are being made for dairy products, but they are not sufficient to meet the increased cost of feedstuffs for farm animals which are not only higher in price, but difficult to obtain.

The subsidy allowances for dairy products are discriminatory. The payments for production of butter, cheese, and other manufactured dairy products are less than half the subsidies for whole milk. In consequence, production of butter and cheese is declining at an alarming rate. Also, larger subsidies are granted to the farmers of some States than those in other sections of the country, in which production is greatest, tending further to reducing rather than increasing the supply of milk and milk products for our armed forces and our civilian population as well.

With all this injustice and discrimination, I believe that it would be unwise to further interfere with production by stopping subsidy payments at this time. Small and unfair as the payments may be to the farmers of the Northwest, to stop them now would be likely to further unsettle and disturb the situation as to the Nation's food supply.

The bill offers no substitute for the subsidy program. Whether or not one may agree with that program, nothing else is proposed in this measure. The situation of the dairy farmer probably is much the same as those in other lines of agriculture. The importance of obtaining cost of production plus a reasonable profit for agriculture becomes greater daily as the food supply of the Nation lessens, but there is nothing in this measure bearing on that point. The spread of costs between what the farmer receives and what the consumer pays is as great as ever. Subsidies as now allotted are far too limited to affect that angle. But, to the extent that subsidies are paid they must serve to at least aid in upholding production. With their ceiling prices arbitrarily fixed by a Government bureau and ration points by departmental edict, the dairy farmers need every encouragement which can be

offered them. A program which may serve only in part is better than none at all.

Another feature provision of section 3 is that exception in lines 9, 10, 11, and 12 on page 6 of the bill which is almost peculiar. It would continue subsidy payments on domestic vegetable oils and fats and oilseeds. Some such vegetable oils are used in commodities directly competing with dairy products, and still section 3 would continue such subsidies while eliminating those for dairy products, a form of subsidized competition not conducive to increasing production of butter and cheese. The bill as it now is before us, if enacted, will stop all subsidy payments on dairy products, which now amount to approximately \$3,000,000 per month for Wisconsin dairymen, and at the same time continue subsidies to oleomargarine makers who now are using millions of pounds of vegetable oils monthly. Not only does section 3 strike at the production of milk used for butter, cheese, evaporated milk, and whole milk, but it would pour additional millions into the coffers of the 18 large corporations who even now are piling up great profits in the sale of oleomargarine.

There are many other features of the bill and the subsidy program which I should be pleased to discuss were the time allowed to me, but I want to register my opposition to the provisions which will prove to be highly detrimental to the people of my own State, and which I feel will serve to lessen farm production at a time when our country and the world are suffering a seriously acute situation as to food supplies.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish I did not have to oppose this amendment offered by my very esteemed friend and colleague, but I think it goes right to the heart of this situation. If we adopt his amendment we say in substance, "Well, it is all right to continue your subsidies for a year, just a year, but we do not want you to continue them after that."

A year is 12 months, it is a long time, and it will cost the Government at least as much as it has cost the Treasury during the last 12-month period, or in the neighborhood of \$800,000,000. The gentleman from Texas [Mr. PATMAN] and I are in hearty accord on one thing in respect to consumers' subsidies—they must be paid out of the Treasury. The Treasury can get this money only by issuing bonds. For every dollar which is paid out of the Treasury for consumers' subsidies \$3 must be raised in taxation to pay for them. Therefore this program of \$800,000,000, which will be going on during the pendency of the subsidy period if the gentleman's amendment is adopted, becomes \$2,400,000,000 which must be raised by the taxpayers to pay for the original so-called saving of \$800,000,000.

If it is all right to pay consumers' subsidies for another year, who are we to say it is not all right to pay consumers' subsidies for the year following and the year following that? And if it is all right to pay consumers' subsidies on the very limited number of articles on which they

are paying them now—butter, meat, and a few others—then, of course, it is only logical to give them the authority to pay consumers' subsidies on many other articles.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The question was taken; and on a division (demanded by Mr. KUNKEL) there were—ayes 90, noes 143.

So the amendment was rejected.

Mr. ROBERTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTSON: On page 5, line 8, strike out "or maintain."

(Mr. ROBERTSON asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. ROBERTSON. Mr. Chairman, in announcing my intention to vigorously oppose any broad program of consumer subsidies I do not intend to permit any Member of this distinguished body to pin on me the inflationist label. No Member of the House has been more alert than I to the dangers of inflation inherent in our war situation; no Member is more opposed to price inflation, which may subsequently be followed by currency inflation; no Member has been more active in his efforts to ward off this serious threat to the economic soundness of the Nation during its war effort, and even more serious threat to the period of post-war readjustments.

Before explaining why I opposed a broad program of consumer subsidies may I briefly mention two changes in the pending bill which I think should be made, and the making of which would, in my opinion, be anti-inflationary. I think we should eliminate from section 3 of the bill the language relating to the use of subsidies to maintain maximum prices. And I think we should eliminate from section 3 the provision that any maximum price heretofore or hereafter established shall not be below the support price announced by the War Food Administrator. We are now engaged in maintaining the present maximum price on sugar through the payment of subsidies to the producers of domestic sugar, which is about one-fifth of the total consumed. That is a subsidy that goes directly to the producer, stimulates a necessary wartime increase in production, and is a program far cheaper to the ultimate consumer than permitting the price on all sugar to increase to the point where the domestic producer could meet his cost of production. Some subsidies that go directly to the producer, such as oil, copper, and sugar, stimulate production and justify themselves. Subsidies paid to processors and distributors do not stimulate production and are difficult under any circumstances to justify. My objection to fixing a maximum price on a level with the support price is based upon the fact it will inevitably result in pressure upon the War Food Administrator to lower his support price, which in certain instances at the present time exceed the maximum price. We authorize support prices for the purpose of encouraging producers and stimulating in-

creased production. The mentioned prohibitions in section 3, in my opinion, go beyond the general proposal of consumer subsidies, are unnecessary in this bill, and may react adversely upon the producer who needs our help.

As to a general program of consumer subsidies, it is my deliberate opinion that they are economically unsound and are calculated to establish a dangerous political precedent. While throughout the years we have had many different forms of Government subsidies, never until the President ordered the roll-back in prices of beef, butter, and coffee, which did not involve at the time congressional action, have we ever undertaken a program to furnish to the citizens of this Nation food below the cost of production. The only excuse for such a radical departure from our established policies would be the threat of inflation and the need to control it.

In view of the fact there has been considerable loose thinking and loose talking on the subject of inflation and the means of controlling inflation it becomes important for us to define our terms. With respect to prices, a lay definition of inflation is an "undue expansion or increase." A more technical definition is "An abnormal increase in the quantity of purchasing power." In connection with the latter definition, frequent reference in recent months has been made to what is termed the "inflationary gap" between purchasing power and available consumer goods. In 1926 we had the closest balance between farm prices and industrial wages that has ever existed in the past quarter of a century. As a consequence, many governmental tables use the year 1926 as a normal year when neither farm prices nor wages were unduly expanded or increased and, therefore, not inflated. Food prices have not yet reached the level of 1926 and the percentage of total consumer income required to purchase the same quantity of food as consumed in the prewar period of 1935 to 1939 is 8 percent less than it was in 1926. Real wages have not only advanced out of all proportion to the cost of food over the prewar average of 1935-39, but over the entire cost of living, the total of such increase during the intervening war years being 31.7 percent.

A good illustration of the fact that food costs have not been unduly expanded or increased, and therefore have not been inflated, is flour. American millers have been required to sell flour on the basis of wheat at 89 percent of parity. What is the base period for the parity on wheat? 1909 to 1914. Does parity for wheat include increased labor costs incurred during the present war period? It does not, although on September 7, 1942, the President told the Congress:

Parity is a fair relationship between the prices of things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift.

What is the new O. P. A. price regulation for flour? It is to be sold on the basis of 100 percent of wheat parity.

Can any Member of this House truthfully and consistently say that parity for wheat, which after 2 years of war spending was not reached on the average American farm, is an inflated price for wheat? If not, on what basis shall we justify the current action to subsidize millers in order that they may continue to give to the American people in a period of the greatest national income in history their bread on the basis of wheat at 89 percent of parity? I answer, on no basis whatever, unless it be an unwillingness on the home front to make a war sacrifice comparable to that being made by our American boys on the fighting fronts.

In my opinion, the flour program is on all fours with the drive to furnish to the American people during this war period their food for less than it costs to produce it, adding the difference to the national debt and calling upon returning soldiers to help pay it when the war is over.

If it be true, as I have claimed, that farm prices are not yet above the 1926 level, what has created the inflation threat? It has been an undue expansion and increase in the weekly wages of war workers on the one hand and the creation of new money through deficit financing on the other, the two together creating an abnormal increase in the quantity of purchasing power. I think the distinguished gentleman from Massachusetts [Mr. McCORMACK] correctly presented the administration's viewpoint in behalf of the broad consumer subsidy program when he last Thursday said in effect that if we do not give the American war worker his food for less than it costs to produce it he will demand and be granted further wage increases, which in turn will further increase the cost of his food, which in turn will require still further wage increases, and that in a word is the inflation spiral that leads first to uncontrolled price inflation and ultimately to uncontrolled currency inflation. And those presenting such an argument to us in this emergency have blandly assumed that if we stabilize the cost of food through subsidies at the level of September 15, 1942, wages will be automatically stabilized and there will be no further inflation threat. But we know that, notwithstanding the President's promise of a general consumer subsidy program, John L. Lewis proceeded to break the Little Steel formula and that Mr. Phil Murray has publicly announced he will now be forced to make a drive for increased wages for all steel workers. We also know that the wage relationship existing as of September 15, 1942, has not been stabilized, notwithstanding "the minor increase in the cost of living since that date and there is no reason to believe that further wage demands will not be made or that they will be firmly denied when made.

I therefore submit it would be unjust and inherently unfair when we already have inflated wages, in some instances inflated prices, and the prospect of more of both, for anyone to attempt to hold the refusal of this House to authorize a general consumer subsidy program re-

sponsible for the price inflation that may subsequently result.

We had an opportunity in November 1941 to control price inflation but administration leaders in this House vigorously opposed any steps at that time looking to the control of the most dangerous equation—namely, war wages. It will be recalled that I offered at that time the following amendment:

(f) In order to prevent inflationary wage increases that will interfere with or prevent the effectuation of the purposes of this act, no agency or official of the United States shall approve or recommend any wage increase which the Administrator determines to be inflationary nor shall any allowance be made for any wage increase which the Administrator determines to be inflationary, in any ceiling under this act. For the purposes of this act, a wage increase shall be deemed to be inflationary, if the Administrator determines that such increases will require an increase in any ceiling under this act, except where he determines that such increases in such ceiling are justified due to an increase in the workers' cost of living or due to subnormal wage rates that may exist in a particular industry or part thereof.

Opposing that amendment, our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK] stated:

In my opinion it is one of the most drastic amendments that could be offered on this particular subject. * * * The amendment offered by the gentleman from Virginia is unworkable. It is a very drastic amendment. We are going to have labor legislation next week. I share the views expressed by the gentleman from Texas that in a price-control bill relating to property there should not be included control of human beings.

We naturally are concerned about strikes and their control. If the legislation we pass next week does not meet the situation Congress can legislate again. We are going to have labor legislation.

Incidentally, we did have strike control legislation passed by the House by a 2 to 1 vote just before the Pearl Harbor attack and then killed by administration leaders in the Senate. In the summer of the following year we had another chance to curb inflation in the bill pending before the House Naval Affairs Committee to suspend for the duration the operation of the 40-hour week and its inflationary overtime payments. Administration leaders caused that bill to be killed in committee. Last year and again this year we had an opportunity to frame tax laws calculated to drain off a portion of the "abnormal increase in the quantity of purchasing power" but again administration leaders killed all sales tax proposals—the only feasible and practical method of closing the inflationary gap between purchasing power and purchasable goods.

As I have indicated in my opening statement, I have been deeply concerned over the inflation threat and I have vigorously advocated a comprehensive anti-inflationary program that included taxes, price and wage control, economy in Government spending, and a general thrift program including liberal investment by the people in War bonds. But I regard a general food subsidy program, which temporarily conceals the increased cost of living and which would

not be any incentive to production because paid to processors and distributors, as being neither a necessary nor proper part of an effective anti-inflation program.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course we do not want to admit by the statements made by the gentleman, much as I should like to go along with him, that this section in any manner interferes with the operation of any producer subsidy program. I am fearful that if we strike out the word "maintain" we shall create a situation whereby the Administration can continue the present subsidy programs. For that reason, I am opposed to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: On page 5, line 24, after the semicolon, strike out "Provided further, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oilseed."

Mr. FORD. Mr. Chairman, all this amendment does is give these antisubsidy boys a chance to vote for or against subsidies amounting to some \$60,000,000 a year for soybeans, peanuts, and cottonseed oil. If you want to vote for a subsidy for those and vote against subsidies for the consumer, go to it, but you are going to be in the position of voting for subsidies on the one hand and against them on the other.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. Ford and Miss SUMNER of Illinois) there were—ayes 34, noes 147.

So the amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Is there anyone on the majority side that is advocating the passage of this bill who has charge of the debate and the time?

The CHAIRMAN. The gentleman from Kentucky, the acting chairman of the Committee on Banking and Currency.

Mr. HOFFMAN. In favor of the passage of the bill?

The CHAIRMAN. He is in charge of the time for the debate on the bill on the majority side.

Mr. PATMAN. Mr. Chairman, I offer the following amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 4, commencing with line 22, strike out all of section 3 down to and including line 2, on page 6.

TO STRIKE OUT SECTION 3

Mr. PATMAN. Mr. Chairman, this is a question of support prices or not hav-

ing support prices. This is really what I believe everyone will agree is the meat in the coconut. If you are against subsidies of all kinds, a vote should be cast against this amendment. But if you are in favor of certain subsidies your vote should be cast for the amendment. In other words, if you are willing to carry on the program as it has been in the past and save \$28 in some cases for every \$1 you put out on copper, and several dollars on sugar and many other items, a vote should be cast for this amendment. I hope it is. I hope it is adopted, because we cannot afford to run the risk of run-away inflation in this country. The question of subsidies is an old one. The tariff was the first subsidy, and the first general law ever passed by the American Congress 154 years ago was the tariff bill. The railroads have been subsidized and the merchant marine and the inland waterways and newspapers and magazines to the extent of \$100,000,000 a year, which is a consumers' subsidy, because the subscribers get the benefit of most of it and is therefore a desirable subsidy and should be continued.

We have subsidized aluminum, copper, brass, lead, zinc, and all kinds of farm products to help the farmer as well as the consumers.

I hope you vote for this amendment.

If this amendment fails, I will be in the position of having to vote for the bill or vote against the continuance of the Commodity Credit Corporation. I very much favor the continuance of that Corporation, so if forced to, I will vote for the bill with section 3 in it. We cannot legislate unless we send something to the other body to consider. If the Senate fails to strike out the subsidy prohibition and it is not stricken out in conference between the two Houses, the President will veto the bill, and I will vote to sustain the veto. Then we can pass a bill continuing the Commodity Credit Corporation without the amendments that will put us on a paved highway to inflation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VORYS of Ohio. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman?

There was no objection.

Mr. VORYS of Ohio. Mr. Chairman, the howling propaganda for consumer subsidies is a result of an administrative strategy that is fundamentally dishonest and cowardly.

The administration says the choice is between subsidies and uncontrolled inflation. Whose choice? Not the choice of Congress, for Congress has enacted the price-control law. Not the choice of consumers, or labor, or the public, for they want the price control law fairly and efficiently enforced. The threatened choice between control and surrender on prices is being made by the administration. What they really mean by this dire threat is that they are going to lie down on the job, and desert the wartime post assigned them by the people, not because they will no longer have

the power to hold down prices and wages, but because they will no longer have the will. They say, "Pressure will become too great." Pressure on whom? Pressure on the administration. They mean that there is no nice, easy way to play politics with prices and wages any more, and they are unwilling to hold prices and wages in line the hard way, even though they have the power to do it under law.

In this fight, no one is opposing any and all subsidies, although everyone is deploring subsidies in theory. Our Government has resorted to subsidies many times. The fight here is against just one form of subsidy, the plan of having the Government pay part of everybody's grocery bill. The insidious, progressive, universal demoralization that follows from this practice has been proven time and again in the history of mankind. The Roman Empire subsidized wheat progressively, more and more, and in a few years free bread, "panem et circenses," was one direct cause of the fall of the Roman Empire.

Our country has already taken the first, insidious, pleasant step in demoralization. Only eight hundred million added to the debt and yet how pleasant it is to feel the Government, somebody else, is giving us part of our food. The proponents admit this is dangerous business, but the administration, although they have failed so far, say that by continuing the doses, increasing them just a little, we can achieve painless price control. Up to date, their other methods have been painful and have not controlled prices. Their very attempts to achieve painless price control, to tinker a little here and there, have caused excruciating pains to break out in some new place. Nevertheless, they threaten to abandon all attempts to control prices, unless they are allowed to play with this deadly narcotic of consumer subsidies. The tippler, whose attempts at progressive pleasantness have failed, threatens to get drunk if he is not allowed morphine.

Once we start to subsidize consumers, there is no end to our problem. What makes you think that the crowd, who have failed to satisfy anyone, because they have tried to satisfy everyone, will suddenly turn over a new leaf and be firm and achieve price control through self-control? Their despairing cries now show that they intend to get off the hot lid of prices, and permit them to rise, but to use this new device of consumer subsidies to paralyze the public against the shock of inflation to allay the pain temporarily.

There is only one way to meet this issue. We must keep consumers' prices real. The Government must hold them down the hard way, by controlling wages and the costs that enter into consumers' prices. Failure and favoritism must be kept in the open. The pressure from pressure groups, including the consumers, the greatest pressure group of all, is almost but not quite unbearable. We owe it to ourselves, to our country, to our children's children, to stand firm and to force this wobbling administration to stand firm, to stop being dishonest and

cowardly, to buckle down to the task of controlling prices under law.

The amendment should be defeated.

The CHAIRMAN. All time has expired on this amendment and on this section.

The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 102, noes 173.

So the amendment was rejected.

Mr. PACE. I offer the following amendment, which I have sent to the desk.

The CHAIRMAN. The gentleman from Georgia [Mr. PACE] offers an amendment which the Clerk will report.

Mr. PACE. I understood that all time had expired.

The CHAIRMAN. All time for debate has expired.

Mr. PACE. I would not want to offer it unless I had time to discuss it. I withdraw the amendment.

Mr. PHILBIN. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman?

There was no objection.

Mr. PHILBIN. Mr. Chairman, Congress is not responsible for food and commodity price rises, though it cannot reject responsibility for trying to curb them. Present exorbitant prices, with consequent threat of an ever-increasing spiral of inflation, are due principally to the failure of administrative agencies of the Government to deal effectually with the black market. The main and principal cause of current high prices lies in the continuance and even the aggravation of black-market conditions in practically every community in this country.

Who can deny it? Who is prepared to state that the black market does not exist, and that if you are willing to pay the price you cannot buy practically whatever you want in almost every community in this country?

Why should this condition be permitted? Why should we allow wealthy groups and temporarily enriched war workers to have all they want and need while our low-income group families are forced to hew close to the line of ration stamps, curtailed supplies, greatly increased prices, and generally prevalent scarcities?

How can we defend the spectacle of meat rotting in the markets of America while millions of our people are unable to procure it at their regular meat markets? How can we justify the destruction or export to nonmilitary foreign peoples of basic foodstuffs, while our own people feel the pinch of restricted quantities of these vital necessities and skyrocketed prices?

Price subsidies will not cure this condition. By putting more money in the pockets of consumers they may well aggravate it. We are not faced with the same conditions as England, which is a great importing country and where the Government can control imports and, therefore, deal with the whole supply of commodities, subject to price control.

Moreover, this country is not in the same favored position which enables it to roll back prices of basic commodities through the use of lend-lease goods.

But let us sweep aside all these technical arguments. Let us admit that subsidies in some form are desirable, if the need is compelling enough, to help consumer groups by keeping down prices and thus lessening the pressure of wage increase demands. If it is justifiable and logical and reasonable to roll back the prices of meat or butter 5 cents, it is justifiable to roll back the prices of every commodity by the same proportionate amount, and it is also justifiable for the Government to pay half, or even all of the cost of such roll-backs.

Thus you establish the principle that the Government of the United States is under an obligation to pay part, or indeed all, of the grocery, meat, and food bills of all its people. To my mind, this will lead to economic chaos, inflation, confusion, and the ultimate destruction of our basic mercantile and economic institutions. It is dangerous folly for the Government to undertake to pay the food bills of the Nation. Such a course will not only make our citizens minions of the State but will soften their moral fiber and render them dependent upon the State for their existence.

I am not disturbed about the abandonment of the Little Steel formula. In fact, it has already been abandoned. I am disturbed about securing for our wage earners sufficient money to purchase food for themselves and families, and it does not matter substantially, excluding extremes, what the levels of prices and wages are. The important thing is the maintenance of a proper relationship between prices and wages which will not penalize wage earners or persons with fixed incomes. As I pointed out, the balance can be maintained by checking black markets, by establishing a fixed relationship between wages and cost-of-living price indexes based on established scientific principles and not on the ukase of some starry-eyed bureaucrat.

Neither am I disturbed by the bogie of inflation and the much abused spiral of rising prices that is prophesied if these subsidies are not permitted. The very same people who now tell us that inflation is an imminent danger were telling us a few short years ago that it would be a blessing.

In 1941 Congress passed a price-control bill which the administration demanded as necessary to prevent a runaway inflation during the war. Now let it be enforced. Let the O. P. A. enforce the criminal law against the perpetrators of the black market. Let Government agencies themselves unravel the tangled skein of production, distribution, price, and wage problems that has been rolled up through bureaucratic incompetence, radical experimentation, and lack of courage to face and grapple with current realities. The Government has the power to control prices and wages without subsidies. Let it invoke that power in a forthright, intelligent manner. If black markets are smashed and price ceilings enforced, prices will be brought into bal-

ance with wages, the people will have necessary food and we can turn all our attention to the most important question ever to face us—the sure, speedy winning of the war.

If this form of government which has permitted us to live as freemen, and this economic system which has brought us such unparalleled prosperity and happiness are to be thrown to the dogs of socialism or communism, then it will not be with my vote. If this Congress proposes to yield to the same demands that the leadership of Rome and Greece and every other great democracy in history yielded to and thus destroy the substance, strength, and vigor of American freedom, then it will not be with my vote.

This Government exists for the people. It must be supported and upheld by the people. It can be taxed out of existence just as surely, if less speedily, than it can be overthrown. When the Congress of the United States starts to pass out doles to pay the grocery and commodity bills of the people, it is time to throw in the towel. Not only will our form of government be transmuted into a totalitarian dictatorship of superpolitical and super-radical bureaucratic groups, but the system and spirit of free enterprise which has been responsible for all our progress and upon which the future security and prosperity of the country depends will be liquidated and discarded.

Free enterprise is not an attribute of great wealth alone. It does not exist solely for the talented and the favored. It is the valued possession of every person who seeks to advance himself. It is the boon of the professional man, the small businessman, the farmer, the artisan—the safeguard of the ambitious and the industrious, for it gives to the humblest, most inarticulate citizen the chance to improve his lot and join the populous ranks of those who have won their substance by the use of their own talents and the fruits of their own toil. It is the special prize of high paid, high standard, free American labor, out of which it permits opportunities for advancement and leadership to develop. Indeed, it is more important to the working man of frugal means than it is to anyone else. Wealth may be wasted through profligacy and extravagance, as it is certainly being confiscated through taxation. But when you take away from the man who toils hard for a living the assurance that by his industry, his thrift, his devotion to duty, his sacrifice, he can have for himself and give to his sons and daughters the chance to rise to the top-most rung of the ladder of success, you will have stifled and killed one of the greatest prizes and heritages of American citizenship.

To me, there is something palpably illogical about rolling back prices at a time when, according to Government figures, wages and the national income are higher than ever before in the history of the Nation in order to save consumers money they will promptly use to bid up prices on other commodities.

Some of those behind these subsidies operate on the theory that the American people have become soft and have to be given the harsh, bitter sacrifices

of war in sugar-coated pellets. Subsidies will not lighten the load. They will simply put off the day of reckoning and like a shot in the arm result in demands for greater and impossible concessions.

Cut down the inflationary gap with heavy and heavier taxes if you must, but do not meddle further with our basic economic patterns.

The Clerk read as follows:

SEC. 4. The Commodity Credit Corporation may sell at a loss perishable fruits or vegetables, owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment following section 4.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 6, line 8, after section 4, insert:

"SEC. 5. The War Food Administrator is hereby directed to establish support prices for cattle and sheep sold for slaughter and, pursuant to title III of the Second War Powers Act, 1942, to issue such orders as may be necessary requiring all persons purchasing cattle and sheep for slaughter to pay such support prices."

Mr. BROWN of Georgia. Mr. Chairman, I move that all debate on this section close in 5 minutes.

Mr. CASE. Mr. Chairman, I make a point of order that the motion of the gentleman from Georgia is not in order.

Mr. BROWN of Georgia. I move that debate on this section close in 10 minutes.

The CHAIRMAN. A point of order is made that the motion is not in order. The motion is not in order until some debate has been had on the section.

Mr. O'CONNOR. Mr. Chairman, and members of the committee, this proposed amendment to this bill would require the Food Administrator to promulgate support prices supporting the prices of cattle and sheep just the same as he has done with reference to hogs. The best argument, Mr. Chairman, that I can make in support of this amendment is an account sales of sheep sold in South St. Paul on the 6th day of October 1943; and sheep have gone down since then. They sold from 5 to 4 cents per pound, not much more than enough to pay the freight, yardage, feed, and general expenses of shipment. The packer who bought those sheep, after he got the subsidy payment of 95 cents, made in the neighborhood of \$8.48 clear on that sheep, considering the carcass that he sold to the Government at 16½ cents per pound, as the carcass would process about 65 pounds. He sells the wool—sometimes the entire pelt, and the offal for fertilizer purposes.

Mr. MURDOCK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MURDOCK. Arizona livestock men say they do not want subsidies, but I believe they do favor support prices. Do I understand that there are support prices now made for some animals and meats but not for cattle and sheep?

Mr. O'CONNOR. There are support prices for hogs, but not for cattle and sheep. The market today for sheep is practically demoralized and for cattle it is going down every day.

Mr. MURDOCK. I can see great difficulty in setting ceilings on livestock but under present conditions there does not seem to be even a tissue paper floor under them. A support price would be better for our livestock people than any kind of subsidy that I can think of. I hope it can be provided for this necessary food supply.

Mr. O'CONNOR. It makes no difference whether you have subsidies or not. You have got to have a floor price for sheep and cattle, or else the market is going to be demoralized and those people are going to have to take very little for their sheep and for their cattle.

Mr. MANSFIELD of Montana. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MANSFIELD of Montana. How does one synchronize this idea of supply and demand in the pork market when you have to put support prices under hogs at the present time, because there are so many in the market?

Mr. O'CONNOR. There is the biggest supply of meat on hand today than we have had in many years in the past. There are over 600,000,000 pounds of meat today in storage in the United States, yet we have points practically prohibiting the people from purchasing that meat, though there it is in unprecedented quantities.

Mr. MANSFIELD of Montana. I agree with the gentleman and want to compliment him on his unfailing interest in the livestock industry, but under this amendment will you subsidize the producers rather than the big packers?

Mr. O'CONNOR. Absolutely. The producer will get the benefit of the subsidy and today he is not getting it.

Mr. MANSFIELD of Montana. The big packer will not get it?

Mr. O'CONNOR. No. I want to say this to my colleagues: Under the present system the packers are making more money today than they ever have in their business. Subsidies will be of no consequence to the producer of live animals unless you fix a floor price, then the subsidy may be included in the price that is paid to the stockman.

The packers standing in together, as we know they do, depress the price so the subsidy does not inure to the benefit of the shipper. My amendment provides for support prices for cattle and sheep sold for slaughter pursuant to title III of the Second War Powers Act of 1942. Under that power and this amendment the Price Administrator can fix the floor price for cattle and sheep and enforce such floor price or prices by refusing to allocate cattle and sheep to those processors or slaughterers who refuse to pay the floor price. In that manner the provisions of this amendment could be enforced. The directive issued by Mr. Vinson October 26 attempting to fix a support price for cattle provides that the packer who fails to pay the support price would forfeit his subsidy only to the extent by which he pays less than the support price. When he fixed the support price for hogs the penalty was a forfeiture of the entire subsidy paid regardless of how little the packer paid under the support price. Now under present

conditions it can be seen that the producer of both cattle and sheep has no guaranty of a support price backed up by a Government order as is the case with the hog support price. Nor are there any formal penalties if the processors buy below the support price.

I think that those in the O. P. A. who have given the subject of floor prices thought, agree with me that the only means by which we can insure the passing on of subsidies to producers, if we are going to use subsidies, is by establishing minimum prices for the live animals. This floor price is an essential part of the program to stabilize the price of livestock regardless of whether or not subsidies are paid to the packers. If the subsidy is paid to the packer this minimum price may be raised to the extent of the subsidy as compared to its level if no subsidy is paid.

The decline in prices of live animals such as sheep and cattle has discouraged feeders from maintaining the high level of production that was reached in 1943 and also the uncertainty and confusion of the price for both cattle and sheep have caused these feeders of both cattle and lambs to bypass feeding this year and we are going to feel this condition next year when we keenly need lamb, mutton, and beef. I want to again point out that we have in storage today, or as of November 1 this year, 630,000,000 pounds of meat, beef, pork, lamb, and mutton, being almost one-third higher than what it was for the average of 5 years between 1933 and 1942. The average during those years was 414,535,000 pounds.

When you consider this huge and unprecedented storage of these meats and then consider the value of the meat points which in effect denies the civilian population the privilege of buying this meat, such a program does not make sense. In order to give any relief we should have a floor price under these animals and the value of the points for meat should be reduced at least 50 percent or entirely discontinue their use for a period of at least 2 months, giving an opportunity to dispose in the usual channels this tremendous supply of meat that is so sorely needed by the workingman and the people of the country generally.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. O'CONNOR].

The question was taken; and on a division (demanded by Mr. O'CONNOR) there were—ayes 41, noes 132.

So the amendment was rejected.

Mr. HERTER. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: After section 4 add:

"SEC. 5. Notwithstanding the limitations provided by section 3 the War Food Administrator is authorized to plan a food-stamp program and to provide for the issuance of food stamps under such plan in order to increase the food purchasing power of individuals and institutions under subsection

(b) to be eligible persons. The funds of the Commodity Credit Corporation shall be available to and be utilized by the War Food Administrator in carrying out any food-stamp program under this section in such amounts and in such manner as may be determined by him.

"Subsection (a). Any plan under this act for the issuance of food stamps shall include provisions (1) limiting the use of food stamps to use in connection with the purchase of articles of food designated from time to time jointly by the War Food Administrator and the Surgeon General of the Public Health Service; (2) authorizing retailers and other distributors of food to accept food stamps in payment for purchases of articles of food designated under clause (1); and (3) limiting the value of food which may be purchased with food stamps by an eligible person to such percentage (not to exceed 25 percent) of the value of the total purchases of food by such person as is fixed by the War Food Administrator.

"Subsection (b) (1). The State welfare agency of each State designated by the Governor of the State shall determine and certify to the War Food Administrator in such form as may be prescribed by him the institutions and individuals that are eligible persons under this act.

"(2) The War Food Administrator shall reimburse each State for all actual and necessary expenses incurred in carrying out the provisions of subsection (1).

"Subsection (c). As used in this act the term 'eligible person' means—

"(1) Any individual whose rate of family income is not more than 20 percent greater than his rate of family income on January 1, 1939, and whose rate of family income is not greater than \$1,000 per year in the case of a single person, or \$1,200 per year in the case of a married person and his spouse, plus \$100 for each dependent.

"(2) Any individual 50 percent or more of whose family income is used for the purchase of articles of food.

"(3) Any private institution or any individual who maintains a foster home for children or provides food and shelter for any individual described in paragraph (1) or (2).

"As used in this section the term 'family income' means the income of an individual and the income of his spouse and his dependents, if any."

Mr. HERTER. Mr. Chairman, I understand a point of order will be made against the amendment in order to save the time of the Members. I ask unanimous consent to dispense with the reading of the amendment and that it may be included in the RECORD at this point, and that my remarks may be included in the RECORD at this point.

The CHAIRMAN. Without objection, the request is granted.

There was no objection.

[Mr. HERTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BROWN of Georgia. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. HERTER. Mr. Chairman, I concede the point of order, but I would like to say one word.

Mr. BROWN of Georgia. Mr. Chairman, I will reserve the point of order for the time being.

Mr. HERTER. In this entire debate, Mr. Chairman, the question as to what is going to be done for the white-collar class and the small pensioner who today has already taken a pretty severe beating from the increase in prices, is an extremely important matter. The committee was kind enough to hear me on the subject of the stamp-tax plan, and I am hoping that the committee will continue its hearings on that matter and will report a bill favorably to take care of that type of person.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. MANSFIELD of Montana. I am interested in your plan because you have at heart, as I do, the interests of the people who are unorganized and whom a great many of us would like to help. Consideration of some sort of a food-stamp plan of some kind will have to be used to get help to these people who are dependent upon allotments from their folks in the service or on pensions, or on salaries which have not been raised over the past 3 to 4 years. I have spent a great deal of time since last spring when this matter of subsidies was discussed for the first time on the floor of this House trying to understand this question. I am opposed to the idea of great and ever-increasing subsidies because I fear the effects on our population if allowed to go too far. I have listened attentively, though, to all the debates on this floor, read everything I possibly could on the subject, discussed the matter with my constituents at home and, in general, have done everything possible to arrive at an answer to this vexing question. There has been no alternative plan offered except this plan of the gentleman from Massachusetts, and while I do not know its details, the idea seems sound because it proposes to reach the people who need help the most in combating the high cost of living but who are unorganized and whose voice cannot compete with either the organized farmer or laborer. They are the people who need help the most because their salaries have remained stationary over a long period, their pensions and annuities have not been increased, and their allotments from their kin in the service have not been raised. I want to compliment the gentleman for advancing an idea of merit and in considering the welfare of this forgotten group.

Mr. HERTER. I thank the gentleman.

Mr. HINSHAW. Will the gentleman yield?

Mr. HERTER. I yield.

Mr. HINSHAW. I think the gentleman's plan is a very humane one and I am hoping that the committee will give him a hearing at an early date.

Mr. HERTER. I thank the gentleman.

Mr. LANHAM. Will the gentleman yield?

Mr. HERTER. I yield.

Mr. LANHAM. Is it not true that a great number, if not a majority of the white-collar class, are working for private industry, and that private industry would be perfectly willing to increase their wages without any obligation

upon the part of the Government, if the Government would permit private industry to increase those wages and thus relieve the temporary burden on the white-collar worker?

Mr. HERTER. I thank the gentleman for his contribution, but my particular bill would cover a much larger group than the white-collar class.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. HERTER. I yield.

Mr. AUGUST H. ANDRESEN. There are about 30,000,000 people in this country who would be the beneficiaries of your plan, and who do not now receive any benefit out of war expenditures, and that is the class you want to take care of?

Mr. HERTER. The gentleman is correct.

The CHAIRMAN. Does the gentleman from Georgia [Mr. BROWN] make a point of order against the amendment?

Mr. BROWN of Georgia. I make the point of order against the amendment, Mr. Chairman, that it is not germane to the bill.

The CHAIRMAN. The point of order is conceded by the gentleman from Massachusetts [Mr. HERTER] and the point of order is sustained.

(By unanimous consent, Mr. VOORHIS of California was granted permission to extend his remarks at this point in the RECORD.)

Mr. VOORHIS of California. Mr. Chairman, I regret exceedingly that the amendment of the gentleman from Massachusetts has been declared out of order. His amendment is similar to a bill for a national food allotment program which I have had before the House for a long time.

If we had provided protection for the fixed-income and low-income families of this Nation so that through the issuance of food stamps or food-purchase certificates to them they could be assured of the ability to buy the food they need, then Congress could, with some justice, ban the use of subsidies and require increased prices as this bill in present form does.

I should like to see us able to determine price policy wholly from the standpoint of securing maximum production. As long, however, as some 15,000,000 families in this Nation receive less than \$1,000 per year of income action by Congress which would result in increased living costs is unfair to this very large group of our people, and bears very heavily on them.

The answer to inflation lies in a far more courageous tax program than this Congress is apparently going to pass. And that is the only basic answer. For it is the only way to lessen the pressure upon prices. In its absence we are forced back on unsatisfactory and second-best methods, such as price control, subsidies, and all the rest.

Because of this group of our people who have by and large unorganized political power I have voted for amendments to modify the prohibition against subsidies contained in this bill. I believe those prohibitions are too sweeping. I wanted to be able to vote for this bill because the Commodity Credit Corpora-

tion is an absolutely necessary agency to the operation of the food-production program for war. I know the bill will pass anyway. Therefore my vote against this bill is simply a protest vote against the failure of Congress to show regard for the problems of those really low-income families I referred to a moment ago. I hope the Senate may do a better job with the bill than the House has done, and I further hope that prompt action may be taken by the Congress on a program such as the gentleman from Massachusetts presents in his amendment. Were that action taken I would personally feel very different about legislation to ban consumer subsidies. For I do not like such subsidies any better than those who have supported this bill.

Mr. SABATH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection? There was no objection.

PASSAGE OF ANTISUBSIDY BILL WILL MEAN INFLATION—HIGHER CONSUMER FOOD PRICES—SHORT-SIGHTED AND POLITICALLY MINDED REPUBLICANS WILL BE HELD ACCOUNTABLE

Mr. SABATH. Mr. Chairman, the statement of the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations, that only labor leaders and those of predatory wealth are in favor of striking out section 3 for the continuation of subsidies, is indeed ridiculous.

I am convinced and have positive proof that the vast majority of the American people who recognize the present-day conditions and are fearful of the ever-mounting increase in the cost of food products are in favor of the subsidy program. I pause to suggest that the term subsidy as we are using it here is a misnomer and can more properly be designated as a practical form of price adjustment, a sensible plant to hold down the ever-increasing cost of food products and to ward off the imminent danger of inflation. I need not remind you that this is a most critical period and that under the present conditions inflation can easily be precipitated.

It has been stated here that the subsidy payments might amount to \$800,000,000. I cannot dispute that, nor can I dispute the assertion that the American people may be obliged to pay from twelve to eighteen billion dollars above the present cost of living. But I warn you that this would be only a drop in the bucket compared to inflation. The gentlemen who represent the big farmers, the richest of the farmers, and the insurance companies and the banks, who own huge acreages and who, like most farmers, have obtained greater returns, returns far beyond their expectations, the past few years, are opposing subsidies because by elimination of subsidies they feel they will be in a position to force the prices of farm products sky high.

Mr. Chairman, I know that the real dirt farmers, those owning 40-, 60-, 80-, or even 160-acre farms and representative of the honest-to-God type of farmer, are not advocating or "pressuring" the passage of this antisubsidy bill. The real

pressure for the passage of this bill comes from the commercial growers, the coterie of gentlemen who, during the dark days of the Republican Hoover administration in 1930, 1931, and 1932 were holders of farm mortgages, foreclosed those mortgages with pocket money and are now the owners of farm acreage comprising many farms, the possessors of 500, 1,000, 2,000, 5,000, and 10,000 acres. They are not concerned with inflation or the effect of rising prices on the livelihood of the consumers of the white-collar class, 22,000,000 workers whose wages or salaries are less than \$1,000 a year, or approximately \$20 a week, or the additional 11,000,000 white-collar workers whose earnings are less than \$2,000 a year, with a wage range of \$20 to \$38 a week, a total of 33,000,000 wage earners whose shoulders are already bending under the burden of increased taxes.

Further, this farm group and the members advocating the ban of farm products subsidy payments have not considered the effect of increased food prices upon the dependents of 9,000,000 soldiers, sailors, marines, coast guardsmen, and members of the auxiliary branches of our armed forces. The allowances and allotments of these dependents are fixed and inflexible. How can this deserving group exist if they are compelled to pay an additional 5 to 20 percent for their food? I ask those Members who advocate the ban on subsidy payments whether they considered or gave thought to what increased food prices would mean to the nearly 2,000,000 aged persons on State and public-assistance rolls; to the 1,000,000 disabled veterans of the First World War and their dependents; to the 158,000 retired and disabled firemen, police officers, county and municipal employees; to the 53,000 blind persons receiving pensions; to the 700,000 retired workers, widows, and young children receiving social insurance payments under the Old Age and Survivors Insurance program of the United States Social Security Board; the more than 400,000 persons who are drawing fixed annuities for which they had put away their savings for many years, and the thousands of retired school teachers in every State of the Union?

COST OF LIVING IN CITIES

Mr. Chairman, I wonder if the advocates of the antisubsidy payments are aware that even in the smallest of towns it costs a family of 4 over \$1,200 a year to live. I have here the cost of living in 33 of our larger cities, and it shows the lowest cost of living is in Mobile, Ala., which is \$1,424, and for the other 32 cities the range is upward to \$1,758 for San Francisco and New York City, followed by Washington, D. C., Detroit, and Chicago. I insert the cost-of-living figures for a family of 4 in 33 cities, as follows:

Cost of living for family of 4 in 33 cities of the United States, Dec. 14, 1942

Atlanta, Ga.	\$1,580
Baltimore, Md.	1,594
Birmingham, Ala.	1,542
Boston, Mass.	1,691
Buffalo, N. Y.	1,598
Chicago, Ill.	1,718
Cincinnati, Ohio.	1,612
Cleveland, Ohio.	1,690

Denver, Colo.	\$1,549
Detroit, Mich.	1,723
Houston, Tex.	1,540
Indianapolis, Ind.	1,554
Jacksonville, Fla.	1,594
Kansas City, Mo.	1,506
Los Angeles, Calif.	1,602
Manchester, N. H.	1,634
Memphis, Tenn.	1,598
Milwaukee, Wis.	1,651
Minneapolis, Minn.	1,660
Mobile, Ala.	1,454
New Orleans, La.	1,546
New York, N. Y.	1,758
Norfolk, Va.	1,652
Philadelphia, Pa.	1,601
Pittsburgh, Pa.	1,642
Portland, Maine.	1,636
Portland, Oreg.	1,641
Richmond, Va.	1,589
St. Louis, Mo.	1,655
San Francisco, Calif.	1,758
Scranton, Pa.	1,640
Seattle, Wash.	1,670
Washington, D. C.	1,757

INCREASE IN FOOD PRICES

Mr. Chairman, in connection with the high cost of living in cities, I insert some official figures on food prices which have continuously risen since 1939, which accounts for 40 percent of the increased cost of living to the city dweller. They are as follows:

Percent of increase in food prices

Commodity	Quantity	Jan. 1, 1941	Sept. 15, 1942	Today	Percentage
Chicken	Pound	0.21	0.29	0.44	104
Cabbage	Pound	.02	.03	.05	150
Apples	Pound	.04	.04	.12	200
Tomatoes (canned)	Can.	.04	.05	.10	150
Oranges	Dozen	.15	.19	.45	200
Butter	Pound	.30	.49	.56	86
Pork chops	Pound	.23	.31	.52	120
Eggs	Dozen	.27	.33	.60	122
Coffee	1-pound bag.	.13	.20	.26	100
Spaghetti	Pound	.07	.08	.15	114
Tomatoes (fresh)	Pound	.03	.04	.10	233
Beans	Pound	.05	.09	.11	120
Potatoes	Pound	.04	.04	.06	60

Mr. Chairman, I have given the wages of 22,000,000 workers who earn less than \$1,000 a year, of an additional 11,000,000 whose compensation is less than \$2,000 a year, and the millions who are disabled, retired and receiving dependents' allowances, annuities and pensions. I ask those Members who advocate the discontinuance of subsidy payments how they can conceivably justify their vote which will inflict an increase in the cost of living to the extent of 5 to 20 percent upon this class of citizens of the white-collar and fixed-income class.

The advocates of this bill, I repeat, seem to have little or no concern for the welfare of the most deserving of our citizens and refuse to consider their impoverished condition in this critical period. I think it would be a great and serious mistake to vote for the retention of section 3 that provides for the elimination of the price adjustment plan misnamed "subsidy."

I have in my possession hundreds of telegrams and letters, not only from the labor organizations of this land, but from merchants, businessmen, manufacturers, and even sane financiers, who fear and dread the consequences if we act so

unwisely as to fail to eliminate section 3 of this bill at this time.

Indeed, I am amazed that nearly all of you Republicans, who proclaim to your constituents while at home among the people of your districts that you are the friends of the people and the farmers, should now force this legislation which definitely tends to precipitate inflation. And I am wondering what possible excuses you may give your constituents when campaigning as candidates for reelection, because by that time the people of the country generally will understand and realize how faithless you have been to their interests. Of course, I realize that you are just playing politics, catering to the big business that comes across with campaign contributions, while at the same time relying upon the President to veto your action, as he will be compelled to do in the interest of saving the country from inflation that would be bound to reduce the value of our money, your money.

The least informed persons must recognize and realize that if the prices of food products are not to come down but instead are to be still further increased the workers of the country will demand, and will be justified in demanding, increases in wages and salaries. And especially will this be true of those underpaid millions that I have called attention to.

It is to be regretted that these millions of white-collar workers are unorganized. You short-sighted Republicans who are generally opposed to organized labor and are advocating and forcing this legislation are encouraging organization of the white-collar millions to organize so that they, too, like the farm bloc, will have someone to advocate their cause.

(By unanimous consent, Mr. POAGE was granted permission to extend his own remarks in the RECORD at this point.)

[Mr. POAGE addressed the Committee. His remarks will appear hereafter in the Appendix.]

(By unanimous consent, Mr. PACE was granted permission to extend his own remarks in the RECORD at this point.)

[Mr. PACE addressed the Committee. His remarks will appear hereafter in the Appendix.]

(By unanimous consent, Mr. MURDOCK was granted permission to extend his own remarks in the RECORD at this point.)

Mr. MURDOCK. Mr. Chairman, judging from the way the vote has gone on the several amendments proposed to this bill today, I suppose the measure will pass with the prohibition against subsidies in it. Now, I fear it will be a mistake to deprive the Government of one of the means to holding the line against inflation. I hold no brief for the mistake made by agencies of Government charged with the administration of the price-control laws we have already passed. Mistakes have been made, but the cost of living has been held down somewhat, and I would much rather strengthen the hands of the Gov-

ernment to hold back the flood of inflation than to weaken them.

Several times I have pointed out instances in American political history when Congress took back the powers which it had delegated to the administrative branch of our Government during a great emergency, but heretofore it has usually been done after the emergency had safely passed. We are still in the midst of this most terrible of all emergencies, and I think now is the wrong time to teach the bureaucrats a lesson, even if it is admitted they have one coming to them. There is such a thing as jumping out of the frying pan into the fire.

I did not get the full import of the amendment which was last offered and which was ruled out on a point of order as not germane. Apparently it was an effort to recall the food-stamp plan to save the poorer class from the ravages of hunger when the cost of living has gone sky high. I certainly am very much concerned about the white-collared class and all the millions who have not had war increases in their incomes. However, an ounce of prevention is worth a pound of cure. For my part I would rather put forth effort to minimize the rising cost of living than encourage it and then try to relieve the suffering caused by it. Both may be necessary to a degree, and I would provide for both, but emphasize partial prevention more than partial cure.

I have never been unfair enough to want the primary producers who bring forth our necessities from the earth to work for nothing, or for the sole advantage of all the rest of us. I want substantial justice done those primary producers, but I think it can be done without pyramiding costs through a host of secondary producers to the crushing burden of all consumers and the exaggerated enlargement of the national debt. We are told the wise use of subsidies will best accomplish the purpose. All who would forbid such subsidies are under obligation to suggest and provide a better way to do it.

(By unanimous consent, Mr. MURRAY of Wisconsin was granted permission to extend his own remarks at this point in the RECORD.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I have followed the legislation of the Banking and Currency Committee very closely in regard to the Price Control Act and the present legislation. The provision in the Price Control Act of 1941, whereby producers of war foods are given an 85-90 percent parity floor, has done much to encourage food production.

The two schools of that are still at odds, it seems. One school believes in a maximum food production program as a means of combatting inflation and of preventing starvation; the other school still clings to the price philosophy and the feeling if they can only plan it that way, it will come out plenty for all.

If milk producers are furnished feed at a lower price, it would prevent an advance in the milk price. No agency, including the C. C. C., has made a sen-

sible and constructive effort to furnish this feed.

The big question involved in this present legislation is not subsidy or no subsidy. The real question involved is whether you believe in private enterprise or whether you believe that a governmental agency knows more about business than the businessmen of this country.

Since it seems agreed that producer subsidies are not effected by the bill, the only point that is made an issue is the consumer-subsidy angle. Even the so-called producer subsidies are not being carried on in a very efficient, fair, or common-sense manner. The Christian Herter bill to revive the stamp plan, to provide food for the lower-income groups does not get approval. No effort is really being made to provide food at a reasonable price to the low-income group.

The problems involved boil down to these:

First. Do you wish to tell your feed dealers and other businessmen in your district that you believe in private enterprise, but that you did vote to appropriate \$800,000,000 to a "super-duper" federally financed agency to carry on its bucket-shop operations with millions of unnecessary waste and overhead, and finance the Federal agency to run their business for them?

Second. This C. C. C. agency has and is fathering and fostering programs that harm the war food program. It is and has been engaged in activities that are not helpful to the war effort.

The first reason certain groups and individuals are trying to make this legislation an issue, is because they are so fond of putting the Government into business. They are evidently more anxious to put the Government into business than they are to see that this agency follows a procedure that would furnish food. When the time comes that any Government agency is put in business it would be well to select someone whose service record shows has had at least one day's business experience. The second reason certain groups are vociferous in their opposition to this bill is because of the cheap politics involved. Anyone can visualize the politics involved. However, I doubt if anyone is going to be deceived into thinking that he can play cheap politics and receive the approval of the American people.

As long as the man with the price can buy cream by the gallon without points, though the housewife is required to pay 5 points for a pound of cottage cheese made from skim milk, there isn't much indication that the O. P. A. is even interested in first, distributing food equally, nor second, in distributing food fairly.

It appears to me that any agency that really knew how or wanted to produce maximum amounts of food would get some common sense in their programs, and would not spend so much time selling the wonders of the New Deal and take credit for planning it that way.

Please keep in mind that we have an Agriculture Committee in this House that is rather active and close to these food production problems. We have an Ap-

propriation Committee very close to food production problems.

Let us not be misled by any untruthful propaganda, by people not familiar with food production. Let us support this if we really want to bring order out of chaos and confusion. Let us remember that the hold-the-line advocates should find out that wheat and corn have not reached the line and that cotton is not even at the line much of the time. The inflation line was badly bent way back last April 20 when the Congress gave Federal employees receiving \$2,900 to \$1,200 per year a \$628 increase in salary to meet the increase in cost of living—and this without the protest of the O. P. A., Jimmy Byrnes, or any administration spokesman. That was the time we put the President in an embarrassing position. You gave the members of the War Labor Board \$628 to meet the increased cost of living. These men are getting \$10,000 a year. They were asked to sit across the table and tell Mr. John Lewis that his miners could not have any increase in salary because it would cause inflation.

It seems to me that the only time anyone seems to get excited about inflation is when the low income groups are involved or when the American farmer is in the picture.

(By unanimous consent, Mr. O'CONNOR was granted permission to extend his own remarks in the RECORD at this point.)

[Mr. O'CONNOR addressed the Committee. His remarks will appear hereafter in the Appendix.]

(By unanimous consent, Mr. FAY was granted permission to extend his own remarks in the RECORD at this point.)

Mr. FAY. Mr. Chairman, today I shall vote in favor of food subsidies. I shall do it because the financial health of my country and its people is more important to me than the financial greediness of a few blocs. I shall vote for food subsidies because I am heart and soul for winning the battle abroad—without out having to engage in another battle here at home among ourselves, of such magnitude as to endanger the battle we are fighting abroad. I am convinced that once we permit this inflationary spiral to unwind—there will be no end to it. I do not want it on my conscience that a year from now Americans will have to pay 16 cents a loaf for bread and 28 cents a quart for milk. I do not want to saddle the people with an additional \$8,000,000,000 food bill. That money will just be scooped out of the war effort in order to go into the pockets of a few, while making the poor sucker poorer. That is the way to sickness—not health. I am sometimes led to believe that we in the Congress of the United States have a congenital blind spot when it comes to the lessons in history. We have had inflation. We know what it did for us, and here we are, just calling for it to happen again. I saw it when I got back from World War No. 1. I do not want to see it again.

I would like to take time out and tell the real story about this measure. It is straight political, the sort of thing that

should not happen in wartime, ever. Those who want to kill subsidies think they will get a pat on the back from the farm lobby. They think that the President will then veto the bill, thus actually saving their constituents from getting it in the neck. And they feel they will be saved when the bill comes up again, because there will be enough votes to uphold the veto.

It is a bad spectacle. I am sorry to see it happen because what we are doing today is going down in the history books—with your name and mine.

I do not want my name connected with the awful word inflation. I do not want Americans to point at me and say, "See, see, he made us poor."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, it has been correctly stated that food will win the war and write the peace. But, we ask, what is being done by the administration to secure maximum production of all necessary foods? The Department of Agriculture and the War Food Administration would get results if given a free hand and full control over production, rationing, and distribution. But these agencies are not free. They are tied down by bureaucratic supermen from other agencies who have conceived schemes that decrease production and disrupt distribution. I refer in particular to the economic planners in the O. P. A. and other intellectual schemers in the executive department who are bent on changing our entire free economy into some kind of a socialistic state.

No sane person wants a disastrous inflation. I am convinced that existing price-control laws, if legally and honestly administered by the O. P. A., will stop a spiral of inflation without the need for consumer subsidies. Considering the activities of the New Deal and remembering that every threat to cause inflation was instituted by an administration policy, I am not so sure about the desire of the planners to stop inflation. The administration has refused to carry out the price-control law as enacted by Congress and now demands consumer subsidies as a political gesture for 1944—all in the name of stopping inflation.

Consumer subsidies are not paid to the producers of food. In my opinion, such subsidies will decrease food production, cause additional shortages, encourage black-market operations, and bring increasing threats for an inflationary spiral.

It seems to be popular to blame the high cost of living on the farmers and the farm bloc. But what are the facts? Recent figures from the Departments of Agriculture and Labor disclose that people today are paying a less percentage of their income for food than in the pre-war period. The estimates show that from 16 cents to 20 cents out of the consumer's dollar is used to buy food. The balance of the consumer's dollar is

used to purchase everything from a nightshirt to a permanent wave. If we want to rely on figures supplied by these governmental agencies it must be noted that wages have increased 41.3 percent since January 1941. During the same period the average increase in all retail prices was 22.4 percent.

With the exception of a sharp increase in the retail cost of fresh fruits and vegetables, the advance in the past year for other staple foods has been very slight. In many instances, food prices are under last year's figure. The primary cause for the increase in fresh fruits and vegetable prices over a year ago, is due to the excessive mark-ups authorized by the O. P. A. for wholesale and retail distributors. But these mark-ups have not been reflected back to the farmer or producer. Take the case of a carload of oranges—the customary pre-war profit for the wholesaler amounted to between \$200 and \$300 a car. Today, under O. P. A. directives, the wholesaler can take as much as \$1,000 profit per carload of oranges and other citrus fruits. This excessive profit is passed on to the consumer and raises the cost of living 32½ percent over last year on the price of oranges, and the grower of oranges does not receive any more than he did in 1942. But the grower receives the blame for the high cost of oranges, when as a matter of fact, he is having a tough time to keep going and to pay the increased wage and other operating costs.

I also know of many cases where wholesale and retail margins are so small under O. P. A. directives, that these merchants and processors are rapidly being forced out of business.

I want to make it clear that the farmers are not responsible for the high cost of living about which some complain. There are several hundred items in the index prepared by the Department of Labor to determine the cost of living. This statistical tabulation shows a relatively small increase in food cost, with the exception of fresh fruits and vegetables, between September 15, 1942, and September 15, 1943. But during the same period the index discloses that motion picture admissions have increased by 10.4 percent; daily and Sunday newspapers increased 9.7 percent; haircuts, plus 16.7; wave sets for women, plus 32.4 percent; permanent waves, plus 22.0; domestic services, plus 41.0; railroad fares, plus 9.5 percent; cigars, plus 25.4 percent; overcoats, plus 9.8 percent; pajamas, plus 12.2 percent; shorts, plus 12 to 15 percent; women's coats, dresses, slips, nightgowns and girdles, from 3 to 30.4 percent; all of these and many more are included in the cost of living. Does the administration intend to pay a consumer subsidy on these and similar items and services to keep the cost of living down. If it does, it will cost the taxpayers and the Treasury over \$10,000,000,000 a year. Instead of reading all of the items in the cost-of-living index, I will include the tabulation as prepared by the Department of Labor at the end of these remarks. These facts are significant when you consider the reasons for increased cost of living, and I believe it demonstrates that farmers are being errone-

ously blamed for all of the increases which have taken place.

Farmers everywhere, business and professional men, and the rank and file of consumers are opposed to food subsidies to be paid out of the United States Treasury. They are willing to pay their own grocery bill. They recognize that for every dollar taken out of the Treasury to help pay on grocery bills they will be called upon to pay approximately \$3 in taxes and much more interest on Government bonds.

The trouble with the gentleman from Texas and his New Deal associates is the fact that during the past 10 years they have become so accustomed to paying out billions of dollars from the Treasury in their effort to retain political support that they now feel it necessary to make a political offer for 1944 to pay a few dollars on everyone's grocery bill, which includes Rockefeller and Henry Ford, out of the United States Treasury and at the expense of the taxpayers—and that means all of the people. Do not forget that we have had a new tax bill, with increased rates, every year for the past 10 years.

Let us examine the merits of the subsidy proposal and see how it works. Thus far, the subsidy scheme contemplates paying a part of your milk, butter, and meat bill. If the average individual uses 5 quarts of milk a week the Government will pay 1 cent a quart subsidy or \$2.60 for the year. According to the War Food Administration, the milk subsidy to save you \$2.60 a year on your milk bill will cost the taxpayers \$90,000,000 for 3 months or \$360,000,000 for a year. The roll-back and subsidy on butter is 5 cents a pound, if you can get it. Under the rationing system of 16 points per pound you may be able to get 12 pounds of butter a year, which figures up to a saving of 60 cents on butter for 12 months. This small item will cost the taxpayers \$90,000,000 a year. Under the roll-back and subsidy scheme you are supposed to save 3 cents per pound on meat, if you have points enough to get it after buying butter. We will assume that you can buy 2 pounds of meat a week, which means, under the subsidy plan, that the Government will pay 6 cents a week on your meat bill or \$3.12 a year. The total cost of the meat subsidy for a year is estimated to be \$350,000,000.

Now, let us do a little simple arithmetic. The sponsors of the subsidy scheme propose to save you \$2.60 a year on your milk bill, 60 cents a year on your butter bill, and \$3.12 a year on your meat bill, making a total saving on this part of your grocery bill for 1944 of \$6.32. And it will cost the taxpayers, and that means all of you, the staggering sum of \$800,000,000, to say nothing of the additional cost for hiring thousands of New Deal administrators to police and administer the scheme. This is to save you \$6.32 on your 1944 election year grocery bill.

Let us do a little more figuring. Of course, the Treasury does not have the \$800,000,000, and therefore, more taxes must be raised and more bonds sold to each of you. If this sum is to be raised by taxation, the normal tax rate must be increased from 10 percent as fixed by the new tax bill, to 11.6 percent. Everyone

realizes that money raised by taxation must first be used to finance and win the war, and therefore, it will be necessary for the Treasury to sell you 2.9 percent War Savings bonds to make up this subsidy fund for 1944.

When we consider that our national debt may be over \$300,000,000,000 before the end of the war, no one expects that the \$800,000,000 in bonds sold to raise the money to save you \$6.32 on your 1944 grocery bill will be paid within 50 years. The interest alone on the \$800,000,000 at the rate allowed for War Savings bonds will be \$1,160,000,000 and the total amount paid out in interest and principal to redeem the bonds will be \$1,960,000,000 or more than two and one-third times the amount of the original subsidy. This means that in the end every consumer will pay out \$19 in taxes to save \$6.32 on your 1944 election year grocery bill. Some argue, why worry about what is going to take place 50 years from 1944. Well, if we do not pay our grocery bill today, your children and grandchildren will be called upon to do it. I am inclined to believe that the coming generations will have enough of a burden on their shoulders to help pay for the cost of this tragic war.

The gentleman from Texas [Mr. PARMAN] has said that the Government was buying one-half of all commodities upon which a subsidy was paid. If this statement were correct, you would not be able to get enough meat, milk, and butter to give yourself a diet for the average hot-tentot. If the statement is accurate, we have the answer for raising the points on butter from 8 to 16, and the reason for the scarcity of milk. Time will not permit to analyze all commodities, but in the case of butter, the Government bought 456,000,000 pounds, or 35 percent, of the production of butter between February and October 1 of this year, to be used by the armed forces, lend-lease for our allies, and for other purposes. That is the reason for the shortage of butter to take care of civilian needs.

Let me add here that certain subsidies were authorized by Congress to increase the production of critical materials. Food subsidies to consumers, as I have outlined are inflationary and will retard production of the subsidized foods instead of increasing them. Producers of food need man and machine power to produce in abundance, and they must be placed in a proper competitive position with reference to price levels, if we are to keep our armed forces and civilians with adequate supplies of food.

I believe that we had better think twice before we authorize a consumers' subsidy which, if embarked on, will cost the taxpayers and future generations billions of dollars a year. Inflation can be stopped under existing law if the administration will honestly and legally perform its function and hold the line without fear or favor, recognizing American methods of production, distribution, and costs, and forgetting, at least for the period of the war, the attempt now being made to permanently socialize our social, political, and domestic economy.

Percent of change in the cost of miscellaneous goods and services purchased by wage earners and lower-salaried workers in the large cities combined between Sept. 15, 1942, and Sept. 15, 1943

	Percent
Auto operators' license.....	0
Auto insurance:	
Liability, bodily injury.....	-15.6
Property damage.....	-18.8
Collision, \$50 deductible:	
Ford.....	-15.1
Chevrolet.....	-15.5
Plymouth.....	-14.3
Fire, theft, and comprehensive:	
Ford.....	-9.4
Chevrolet.....	-9.4
Plymouth.....	-20.0
Prescriptions:	
Nonnarcotic:	
Liquid.....	+6
Capsules.....	0
Narcotic, liquid.....	+2.5
Aspirin tablets:	
Widely advertised.....	0
Not advertised.....	0
Quinine, 5-grain capsule.....	+3.8
Cold remedy, ointment.....	+7
Antiseptic, mild tincture of iodine.....	0
Castor oil.....	0
Milk of magnesia.....	0
Laxative.....	0
Toilet soap.....	+3.5
Shaving cream.....	+1.5
Tooth paste.....	+8
Face powder:	
\$1-\$1.25 level.....	0
50-75 cent level.....	+1.4
Cleansing cream:	
Widely advertised.....	+1.0
Not advertised.....	+1.0
Sanitary napkins.....	-1.6
Razor blades:	
Widely advertised.....	0
Not advertised.....	+1.2
Telephone rates.....	+3.8
Streetcar fares.....	-2
Bus fares.....	0
Motion-picture admissions:	
Adults.....	+10.4
Children.....	+8.4
Newspapers:	
On street:	
Daily.....	+3.4
Sunday.....	+3.7
Carrier, daily and Sunday.....	+9.7
Physicians:	
Office visits.....	+7.1
House visits.....	+5.6
Obstetrical.....	+11.2
Surgeons, appendectomy.....	+6.6
Specialists, tonsillectomy, child:	
Hospital.....	+6.2
Office.....	+8.5
Dentists:	
Filling.....	+2.4
Extraction.....	+5.3
Cleaning.....	+6.0
Hospitals:	
Men's pay ward.....	+8.1
Women's pay ward.....	+8.9
Semiprivate room.....	+6.9
Private room.....	+7.8
Private nurse.....	+4.0
Optometrists:	
Glasses, complete.....	+4.4
Lens, bifocal.....	0
Barber services, men's haircuts.....	+16.7
Beauty shop services:	
Women's haircuts.....	+14.0
Wave sets.....	+32.4
Permanent waves.....	+22.0
Laundry services:	
Damp wash.....	+5.5
Thrifty.....	+2.9
Fluffed dry.....	0
Rough dry.....	0
Economy.....	+2.8
Family finish.....	+4.0
Auto repairs:	
Adjust brakes.....	-4.1
Reline brakes.....	+1.2
Overhaul and repair clutch.....	+1.6
Chassis lubrication.....	+7
Domestic services:	
Day workers.....	+41.4
Weekly workers.....	+23.2
Railroad fares.....	+9.5
Water rents.....	0
Postage.....	0
Gasoline, regular.....	+1.5
Motor oil, regular.....	+2.3
Soap, toilet, floating.....	+4.8
Soap:	
Toilet, floating.....	+6
Laundry:	
Bar, white, wrapped.....	+2.5
Bar, yellow, wrapped.....	+3.9
Flake and chip, fine.....	+1.9
Flake and chip, general purpose.....	+2.9
Granulated.....	+2.3
Cleanser.....	+6.7

	Percent
Matches, kitchen.....	+3.2
Starch, laundry.....	+7
Toilet paper.....	+2.1
Tobacco:	
Cigar.....	+25.4
Cigarettes.....	+5.0
Pipe tobacco.....	+1.1
Taxes, registration:	
Ford.....	0
Chevrolet.....	0
Plymouth.....	0

Source: Bureau of Labor Statistics, Cost of Living Division, Nov. 18, 1943.

Percent of change in the cost of food purchased by wage earners and lower-salaried workers in the large cities combined between Sept. 15, 1942, and Sept. 15, 1943

Cereals and bakery products:	
Cereals:	Percent
Flour, wheat.....10 pounds.....	+14.4
Macaroni.....pound.....	+11.3
Wheat, cereal.....28 ounces.....	-2.9
Corn flakes.....8 ounces.....	-5.7
Corn meal.....pound.....	+18.0
Rice.....do.....	+1.6
Rolled oats.....do.....	0
Flour, pancake.....20 ounces.....	(1)
Bakery products:	
Bread:	
White.....pound.....	+2.3
Whole wheat.....do.....	+2.1
Rye.....do.....	+4.1
Vanilla cookies.....do.....	+6.7
Soda crackers.....do.....	+11.4
Meats:	
Beef:	
Round steak.....do.....	-6.1
Rib roast.....do.....	-2.6
Chuck roast.....do.....	-3.3
Stew meat.....do.....	(1)
Liver.....do.....	(1)
Hamburger.....do.....	(1)
Veal:	
Cutlets.....do.....	-16.6
Roast, boned and rolled.....do.....	(1)
Pork:	
Chops.....do.....	-12.1
Bacon, sliced.....do.....	+2.7
Ham:	
Sliced.....do.....	-12.4
Whole.....do.....	-6.0
Salt pork.....do.....	-4.6
Liver.....do.....	(1)
Sausage.....do.....	(1)
Bologna, big.....do.....	(1)
Lamb:	
Leg.....do.....	+6.1
Rib chops.....do.....	-2.3
Poultry: Roasting chickens ²do.....	+10.3
Fish:	
Fish (fresh, frozen) ²do.....	+26.8
Salmon:	
Pink.....16-ounce can.....	+8.3
Red ³do.....	+2.7
Dairy products:	
Butter.....pound.....	-2
Cheese.....do.....	+7.9
Milk:	
Fresh (delivered).....quart.....	+3.3
Fresh (grocery).....do.....	+6.7
Fresh (average).....do.....	+4.1
Evaporated.....14½-ounce can.....	+13.5
Eggs: Eggs, fresh ²dozen.....	+14.4
Fruits and vegetables:	
Fresh fruits and vegetables:	
Fresh fruits:	
Apples.....pound.....	+72.6
Bananas.....do.....	+19.4
Oranges.....dozen.....	+32.5
Grapefruit ³each.....	+7.4
Fresh vegetables:	
Beans, green.....pound.....	+31.9
Cabbage.....do.....	+25.6
Carrots.....bunch.....	+30.4
Lettuce.....head.....	+4.8
Onions.....pound.....	+62.2
Potatoes.....15 pounds.....	+25.5
Spinach.....pound.....	+16.8
Sweet potatoes.....do.....	+59.4
Beets ³bunch.....	(1)
Canned fruits and vegetables:	
Canned fruits:	
Peaches.....No. 2½ can.....	+11.2
Pineapple.....do.....	-1.1
Grapefruit juice.....No. 2 can.....	+16.1
Canned vegetables:	
Beans, green.....do.....	+6.6
Corn.....do.....	+5.3
Peas.....do.....	-1.4
Tomatoes.....do.....	+7.8
Soup, vegetable, ³ 11 ounce.....do.....	(1)
Dried fruits and vegetables:	
Dried fruits: Prunes.....pound.....	+11.5
Dried vegetables: Navy beans.....do.....	+12.1
Dried fruits and vegetables, dried vegetables:	
Soup, dehydrated chicken noodle ²ounce.....	(1)

Beverages:	Percent
Coffee.....pound.....	+4.5
Tea.....½ pound.....	+4.9
Cocoa ¹½ pound.....	-10.8
Fats and oils:	
Lard.....pound.....	+9.2
Shortening other than lard:	
In cartons.....do.....	+2.6
In other containers.....do.....	+1.6
Salad dressing.....pint.....	+4
Oleomargarine.....pound.....	+7.1
Peanut butter.....do.....	+20.1
Oil, cooking or salad.....pint.....	(1)
Sugar and sweets:	
Sugar.....pound.....	-1.4
Corn sirup.....24 ounces.....	+5.3
Molasses ¹18 ounces.....	+6.7
Apple butter ¹16 ounces.....	(1)

¹ Priced for first time in February 1943.

² Percentage change computed on the index.

³ Not included in the index.

NOTE.—Data are based on 51 cities combined prior to 1943 and on 56 cities combined from January 1943 to date.

Percent of change in the cost of clothing purchased by wage earners and lower-salaried workers in the large cities combined between Sept. 15, 1942, and Sept. 15, 1943

Men's clothing:	Percent
Overcoats:	
Medium quality.....	+5.5
Inexpensive quality.....	+9.8
Topcoats.....	+1.8
Suits, wool.....	+2.4
Trousers, dress, wool:	
Medium quality.....	+5.4
Inexpensive quality.....	+5.5
Jackets, wool.....	+5.2
Trousers, work:	
Khaki.....	+3.3
Covert.....	+4.1
Overalls, cotton.....	+4.2
Shirts:	
Work, cotton.....	+5.6
Business, cotton.....	+6.1
Pajamas, cotton:	
Broadcloth.....	+12.2
Printed percale.....	+9.8
Shorts, cotton:	
Broadcloth.....	+12.0
Printed percale.....	+15.3
Undershirts, cotton, knit.....	+5.8
Union suits, cotton:	
Medium quality.....	+3.0
Inexpensive quality.....	+1.4
Sweaters, wool:	
Medium quality.....	+3.2
Inexpensive quality.....	+3.7
Socks, cotton and rayon.....	+3.0
Hats, felt.....	+4.3
Neckties.....	+1.0
Women's clothing:	
Coats:	
Dress, fur-trim.....	+8.2
Sport.....	+17.1
Fur, seal-dyed rabbit.....	+4.9
Skirts, wool:	
Medium quality.....	+10.0
Inexpensive quality.....	+6.3
Dresses: Wool.....	+9.7
Rayon:	
Satin crepe, medium.....	+3
Crepe, inexpensive.....	+4.2
Prints:	
Inexpensive.....	+3.3
Very inexpensive.....	+4.0
Extremely inexpensive.....	+5.8
Wash frocks:	
Percale.....	+20.1
Voile, batiste, or dimity.....	+8.5
Slips.....	+16.8
Nightgowns, cotton.....	+14.9
Panties, rayon.....	+1.6
Girdles:	
Woven, medium quality.....	+8.4
Knit, inexpensive quality.....	+30.4
Hose, rayon.....	-4.3
Hose, cotton.....	+1.1
Hats, felt.....	+7.8
Gloves, leather.....	+5
Girls' clothing:	
Coats, wool, no fur:	
Medium quality.....	+11.1
Inexpensive quality.....	+23.2
Shoes:	
Men's:	
Street.....	+3.1
Work.....	+8.5
Women's, street.....	+4.6
Children's.....	+5.2
Men's rubbers.....	+5.3
Miscellaneous:	
Yard goods:	
Silk.....	0
Rayon.....	+1.1
Percale.....	+4
Dry cleaning.....	+1.9
Shoe repairs.....	+15.1

Percent of change in the cost of house furnishings purchased by wage earners and lower-salaried workers in the large cities combined between Sept. 15, 1942, and Sept. 15, 1943

	Percent
Mattresses, innerspring, medium quality.....	+4.7
Sewing machines.....	+1.1
Electric light bulbs, 40-watt.....	-6.8
Vacuum cleaners, electric.....	+2.6
Stoves, cook, gas range.....	+2.5
Dinnerware:	
Plate.....	+1.6
Teacup and saucer.....	0
Glassware, tumbler.....	0
Brooms:	
Medium quality.....	+13.9
Inexpensive quality.....	+13.0
Towels, cotton.....	+8.9
Sheets, muslin:	
64 x 64 construction.....	+9
68 x 72 construction.....	+1.4
Curtains, marquise:	
54 x 34 construction.....	+2.2
52 x 30 construction.....	+9
44 x 18 construction.....	+2.9
Blankets:	
Medium quality, wool.....	+5.8
Inexpensive.....	+1.6
Part.....	+5.3
Rugs, Axminster.....	+6
Carpets.....	+7
Rugs, felt-base.....	0
Felt-base floor coverings.....	0
Linoleum, inlaid.....	0
Living-room suites:	
Medium quality.....	+2.9
Inexpensive quality.....	+1.8
Dining-room suites.....	+1.2
Bedroom suites.....	+1.6
Studio couches, medium quality.....	+2.3
Bed springs, coil, medium quality.....	0

Percent of change in the cost of fuel, electricity and ice purchased by wage earners and lower-salaried workers in the large cities combined between Sept. 15, 1942, and Sept. 15, 1943

	Percent
Fuel oil:	
No. 1.....	+7.2
No. 2.....	+3.6
Electricity.....	0
Gas.....	-1.4
Ice.....	+1.5
Coal:	
Anthracite:	
Pennsylvania.....	+5.0
Other than Pennsylvania.....	+4.4
Bituminous:	
Low and medium volatile.....	+4.0
Eastern high volatile.....	+5.8
Western high volatile.....	+3.1
Coke, egg.....	+5
Briquets.....	+9.1
Kerosene.....	+3.3
Wood.....	+4.2
Lignite:	
Lump.....	+3.3
Nut.....	0
Sawdust.....	0

Mr. GILCHRIST. Mr. Chairman, I ask unanimous consent to extend the remarks I made during the course of the debate this afternoon.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. KUNKEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. SUMNERS of Texas addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FISH. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. FISH addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. POULSON. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. POULSON addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOPE. Mr. Chairman, it has been announced that very shortly a subsidy on flour will be put into effect in order to prevent an increase in the price of bread. This shows to what a ridiculous extent the subsidy program can be carried and indicates that if Congress permits the administration to go ahead with the subsidy program it will be a constantly expanding program and the amount of subsidies paid will be running into the billions before many months have passed.

What is the situation with regard to bread prices? How much have they increased in recent months? How do these prices compare with those during normal times?

I am submitting herewith figures showing the total national income each year for the past 30 years, as compared with bread prices for the same period:

Year	Average retail price per pound (baked weight) white bread in leading cities of United States	Total national income in United States
	Cents	Billion dollars
1913.....	5.6	
1914.....	6.3	36.4
1915.....	7.0	38.3
1916.....	7.3	44.9
1917.....	9.2	53.4
1918.....	9.8	58.1
1919.....	10.0	67.3
1920.....	11.5	69.3
1921.....	9.9	52.3
1922.....	8.7	60.1
1923.....	8.8	69.7
1924.....	8.9	69.6
1925.....	9.3	74.4
1926.....	9.3	76.5
1927.....	9.2	75.8
1928.....	8.9	79.6
1929.....	8.8	83.3
1930.....	8.6	68.9
1931.....	7.7	54.5
1932.....	7.0	40.0
1933.....	7.1	42.3
1934.....	8.3	49.5
1935.....	8.3	55.7
1936.....	8.2	64.9
1937.....	8.6	71.5
1938.....	8.6	64.2
1939.....	7.9	70.8
1940.....	8.0	77.8
1941.....	8.1	95.6
1942.....	8.7	119.8
1943.....	18.8 28.9	142.0

¹ January to April.

² May to September.

These figures indicate that the price of bread today, 8.9 cents per pound, is less than the average price during the last 25 years. They show that during the past year the price of bread has advanced only two-tenths of a cent per pound, and that the price is less today than it was in 1917, 1918, 1919, 1920, 1921, 1925, 1926, and 1927, and that the price is the same as it was in 1924 and 1928. In all of the years mentioned the national income was far below that for 1943. For instance, in 1924, when bread sold for exactly the same price that it does today, our national income was \$69,600,000,000. Today it is more than twice that. Even in 1932, with a national income of only \$40,000,000,000, the price of bread per pound was less than 2 cents below what it is today. Bread today is three-tenths of a cent per pound more than it was in 1938, but our national income in 1943 is \$142,000,000,000, as compared with \$64,200,000,000 in 1938.

If a ceiling on wheat prices were fixed at parity today, it could not possibly result in more than an increase of one-half a cent per pound in the price of bread. If such an increase occurred, bread would still be by far our cheapest food and would be selling for about the average price at which it sold during the period from 1920 to 1930. Did we have inflation then? Is not the consumer today, with a national income twice as large as the average during the period from 1920 to 1930, able to pay as much for bread as he paid during that time? There can be but one answer to that question. Is there, then, any justification whatever for passing on to the taxpayers of this and future generations a part of the bread bill of every household in America today?

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SCRIVNER. Mr. Chairman, during the debate upon this bill many persons have expressed concern for the white-collar workers and those with fixed income, such as pensioners.

Their plight has been considered by many Members, among them the gentleman from Massachusetts [Mr. HERTER], who has prepared a measure for their aid.

Mr. Chairman, I hope his bill will be called for discussion and consideration without delay.

Mr. WOLCOTT. Mr. Chairman, would it be in order to make a general request to extend remarks?

The CHAIRMAN. That would have to be done in the House, not in the Committee of the Whole.

Under the rule, the Committee rises. Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for

other purposes, pursuant to House Resolution 356, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. WRIGHT and Mr. CARTER rose.

The SPEAKER. For what purpose does the gentleman from California rise?

Mr. CARTER. To offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CARTER. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. CARTER moves to recommit the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, to the Committee on Banking and Currency.

Mr. WRIGHT. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. WRIGHT. Mr. Speaker, I also have a motion to recommit. I am opposed to the bill and have been opposed to it from the beginning.

The SPEAKER. The Chair always recognizes a Member on the minority to move to recommit if the Member qualifies as being opposed to the bill.

Mr. BROWN of Georgia. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. WRIGHT. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. Does the gentleman demand the yeas and nays on this vote?

Mr. WRIGHT. Mr. Speaker, I withdraw the motion.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. WRIGHT. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 278, nays 117, answered "present" 3, not voting 30, as follows:

[Roll No. 163]

YEAS—278

Abernethy	Beall	Bryson
Allen, Ill.	Beckworth	Buffett
Andersen,	Bell	Burch, Va.
H. Carl	Bender	Burgin
Anderson, Calif.	Bennett, Mich.	Busbey
Anderson,	Bennett, Mo.	Butler
N. Mex.	Bishop	Camp
Andresen,	Blackney	Connors, Fla.
August H.	Bolton	Cannon, Mo.
Andrews	Bonner	Carlson, Kans.
Angell	Boren	Carlson, Ohio
Arends	Boykin	Case
Arnold	Bradley, Mich.	Chenoweth
Auchincloss	Brehm	Chipherfield
Barden	Brooks	Church
Barrett	Brown, Ga.	Clark
Bates, Mass.	Brown, Ohio	Clason

Clevenger	Holmes, Wash.	Ploeser
Cole, Mo.	Hope	Plumley
Cole, N. Y.	Horan	Poage
Colmer	Howell	Pracht
Cooley	Jarman	Ramey
Cooper	Jeffrey	Rankin
Costello	Jenkins	Reece, Tenn.
Courtney	Jennings	Reed, Ill.
Cox	Jensen	Reed, N. Y.
Cravens	Johnson,	Rees, Kans.
Crawford	Anton J.	Richards
Cunningham	Johnson,	Rivers
Curley	Calvin D.	Rizley
Curtis	Johnson, Ind.	Robertson
Davis	Johnson,	Rockwell
Day	J. Leroy	Rodgers, Pa.
Disney	Johnson,	Rogers, Mass.
Domengeaux	Luther A.	Rohrbough
Dondero	Johnson, Okla.	Rolph
Doughton	Johnson, Ward	Rowe
Drewry	Jonkman	Russell
Durham	Kean	Sauthoff
Dworshak	Kerr	Schiffler
Eaton	Kilburn	Schwabe
Elliott	Kilday	Scott
Ellis	Klinzer	Scrivner
Ellsworth	Kleberg	Shafer
Elmer	Knutson	Short
Elston, Ohio	Kunkel	Sikes
Engel, Mich.	Lambertson	Simpson, Ill.
Engle, Calif.	Landis	Simpson, Pa.
Fellows	Lanham	Slaughter
Fenton	Lea	Smith, Maine
Fish	LeCompte	Smith, Ohio
Fisher	LeFevre	Smith, Wis.
Fulbright	Lemke	Sparkman
Fuller	Lewis, Ohio	Springer
Gamble	Luce	Stanley
Gathings	McCord	Starnes, Ala.
Gavin	McCowen	Stearns, N. H.
Gearhart	McGehee	Stefan
Gerlach	McGregor	Stevenson
Gibson	McKenzie	Stewart
Gifford	McLean	Stockman
Gilchrist	McMillan	Sumner, Ill.
Gillette	McWilliams	Sumners, Tex.
Gillie	Maas	Sundstrom
Goodwin	Mahon	Taber
Gore	Manasco	Talbot
Gossett	Mansfield, Tex.	Talle
Graham	Martin, Iowa	Tarver
Grant, Ala.	Martin, Mass.	Taylor
Grant, Ind.	May	Thomas, N. J.
Gregory	Merrow	Thomason
Griffiths	Michener	Tibbott
Gross	Miller, Conn.	Treadway
Gwynne	Miller, Mo.	Troutman
Hagen	Miller, Nebr.	Vinson, Ga.
Hale	Miller, Pa.	Vorys, Ohio
Hall	Mills	Vursell
Edwin Arthur	Monkiewicz	Wadsworth
Hall,	Morrison, N. C.	Ward
Leonard W.	Mott	Welchel, Ohio
Halleck	Mundt	West
Hancock	Murray, Tenn.	Wheat
Hare	Murray, Wis.	Welchel, Ga.
Harless, Ariz.	Newsome	Whittington
Harris, Ark.	Norman	Wickersham
Harris, Va.	Norrell	Wigglesworth
Hays	O'Brien, N. Y.	Wilson
Heidinger	O'Hara	Winstead
Herter	Pace	Winter
Hess	Patman	Wolcott
Hill	Patton	Wolfenden, Pa.
Hinshaw	Peterson, Fla.	Woodruff, Mich.
Hobbs	Peterson, Ga.	Woodrum, Va.
Hoeven	Philbin	Worley
Hoffman	Phillips	Zimmerman
Holmes, Mass.	Pittenger	

NAYS—117

Baldwin, N. Y.	Dingell	Holifield
Barry	Eberharter	Hull
Bates, Ky.	Ellison, Md.	Izac
Bloom	Fay	Johnson,
Bradley, Pa.	Felghan	Lyndon B.
Buckley	Fernandez	Judd
Bulwinkle	Fitzpatrick	Kearney
Burchill, N. Y.	Flannagan	Kefauver
Burdick	Fogarty	Kelley
Byrne	Forand	Kennedy
Canfield	Ford	Keogh
Capozzoli	Furlong	King
Carter	Gale	Kirwan
Chapman	Gavagan	Klein
Cochran	Gordon	Lane
Coffee	Gorski	Larcade
Crosser	Granger	Lesinski
D'Alesandro	Hart	Ludlow
Dawson	Hartley	Lynch
Delaney	Hébert	McCormack
Dickstein	Heffernan	McMurray
Dilweg	Hoch	Madden

Magnuson	Pfeifer	Somers, N. Y.
Maloney	Poulson	Spence
Mansfield,	Powers	Sullivan
Mont.	Price	Thomas, Tex.
Marcantonio	Priest	Tolan
Merritt	Rabaut	Towe
Monroney	Randolph	Vincent, Ky.
Mruk	Robinson, Utah	Voorhis, Calif.
Murdock	Rowan	Walter
Murphy	Sabath	Wasielewski
Myers	Sadowski	Weaver
Norton	Sasser	Weiss
O'Brien, Ill.	Satterfield	Welch
O'Brien, Mich.	Scanlon	Wene
O'Connor	Schuetz	White
O'Neal	Sheridan	Wolverton, N. J.
O'Toole	Smith, Va.	Wright
Outland	Smith, W. Va.	

ANSWERED "PRESENT"—3

Folger	LaFollette	O'Konski
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NOT VOTING—30

Allen, La.	Fulmer	Mason
Baldwin, Md.	Gallagher	Morrison, La.
Bland	Green	O'Leary
Celler	Harness, Ind.	Ramspeck
Compton	Hendricks	Robison, Ky.
Cullen	Jackson	Rogers, Calif.
Dewey	Jones	Sheppard
Dies	Kee	Snyder
Dirksen	Keefe	Whitten
Douglas	Lewis, Colo.	Willey

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Dirksen for, with Mr. Ramspeck against.
 Mr. Jones for, with Mr. O'Leary against.
 against.
 Mr. Compton for, with Mr. Celler against.
 Mr. Robison of Kentucky for, with Mr. Jackson against.
 Mr. Harness of Indiana for, with Mr. Morrison of Louisiana against.
 Mr. Mason for, with Mr. Kee against.
 Mr. Keefe for, with Mr. LaFollette against.
 Mr. Douglas for, with Mr. Cullen against.
 Mr. Baldwin of Maryland for, with Mr. Rogers of California against.

General pairs:

Mr. Bland with Mr. Willey.
 Mr. Whitten with Mr. Dewey.
 Mr. Sheppard with Mr. Gallagher.

Mr. LAFOLLETTE. Mr. Speaker, I have a pair with the gentleman from Wisconsin, Mr. KEEFE. If he were present, he would vote "yea." I withdraw my vote of "nay" and vote "present."

Mr. BOREN changed his vote of "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. BROWN]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to mention the tax program.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. ROBERTSON]?

There was no objection.

THE TAX BILL

Mr. ROBERTSON. Mr. Speaker, a number of our colleagues must leave to-

night on a sad mission. Tomorrow the House will take up the tax bill. Out of courtesy to those who cannot be here, and in view of the fact that none of us on the floor can give any better presentation of what is in that bill than what the committee has put in its report and sent to each Member of the House, I hope it will be possible to take that bill up tomorrow, adopt the rule, have brief debate and pass the bill before adjournment tomorrow evening without any roll call.

Each Member of the House will then be given permission to extend his own remarks in the RECORD within 5 legislative days in case he wishes to discuss some phase of the tax bill. We all know that the bill will come up under a closed rule which prohibits the offering of amendments, we all know we have to pass the bill, so, in my opinion, it will be a proper courtesy to those who cannot be here tomorrow to dispose of this matter without a roll call.

HOUSE TO MEET AT 11 O'CLOCK TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the calendar on Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon and to include therein a letter I received from William Green, president of the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from the American Trucking Association, and a resolution from the American Trucking Association in favor of the Lea bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. SADOWSKI]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article by Walter Lippmann on subsidies, and in two instances I ask unanimous consent to extend my own remarks in the RECORD.

78TH CONGRESS
1ST SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

NOVEMBER 26 (legislative day, NOVEMBER 18), 1943

Read twice and referred to the Committee on Banking and Currency

AN ACT

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Act approved March 8, 1938 (52 Stat.
4 107), as amended, is hereby amended by deleting from
5 the first sentence thereof the term "31st of March" where
6 that term first appears therein and substituting in lieu
7 thereof the term "30th of June", and by deleting from
8 the second sentence thereof "on the basis of the cost, includ-
9 ing not more than one year of carrying charges, of such
10 assets to the Corporation, or the average market prices of

1 such assets for a period of twelve months ending with March
2 31 of each year, whichever is less” and inserting in lieu
3 thereof “on the basis of the cost, or, insofar as practicable,
4 the average market price of such assets during the last
5 month of the fiscal year covered by the appraisal, which-
6 ever is the lower”. The first appraisal of the assets and
7 liabilities of the Commodity Credit Corporation on the basis
8 established by this amendment shall be made as of June 30,
9 1944.

10 SEC. 2. Section 7 of the Act approved January 31, 1935
11 (49 Stat. 4), as amended, is hereby amended by changing
12 the designation thereof to section 7 (a) ; by striking out in
13 the first sentence of such section “December 31, 1943” and
14 inserting in lieu thereof “June 30, 1945”; and by striking
15 out the period at the end of such section and inserting in lieu
16 thereof a colon and the following: “*Provided, however, That*
17 the Corporation shall at all times maintain complete and
18 accurate books of account and shall determine the procedures
19 to be followed in the transaction of the corporate business.
20 “(b) The financial transactions of the Corporation be-
21 ginning with the period from July 1, 1944, shall be audited
22 by the General Accounting Office in accordance with the
23 principles applicable to commercial corporate transactions
24 and under such rules and regulations as may be prescribed by
25 the Comptroller General of the United States: *Provided,*

1 That the Corporation shall continue to have the authority to
2 make final and conclusive settlement and adjustment of any
3 claims by or against the Corporation or the accounts of its
4 fiscal officers: *Provided further*, That a report of such audit
5 shall be made to the Congress, together with such recom-
6 mendations as the Comptroller General may deem advisable,
7 and that each such report shall cover a period of one fiscal
8 year: *Provided further*, That a copy of each such report
9 shall be furnished the Secretary of the Treasury and that
10 the findings contained therein shall be considered by the
11 Secretary in appraising the assets and liabilities and deter-
12 mining the net worth of the Corporation under sections 1
13 and 2 of the Act of March 8, 1938 (52 Stat. 107), as
14 amended: *Provided, however*, That nothing in this section
15 shall be construed as modifying legislation authorizing the
16 use of funds of the Corporation for administrative expenses
17 and requiring accountability therefor.

18 “(c) The expenses of the audit as provided in this sec-
19 tion may be paid up to and including June 30, 1946, from
20 moneys advanced therefor by the Corporation, or from any
21 appropriation or appropriations for the General Accounting
22 Office, and appropriations so used shall be reimbursed
23 promptly by the Corporation as billed by the Comptroller
24 General: *Provided*, That any such advances or reimburse-
25 ments shall be considered as nonadministrative expenses of

1 the Corporation. For the purpose of such audit the repre-
2 sentatives of the General Accounting Office shall have access
3 to all papers, books, files, accounts, financial records, ware-
4 houses, and all other things, property, and places belonging
5 to or under the control of or used or employed by the Cor-
6 poration and shall be afforded full facilities for verifying
7 transactions with the balances in depositaries and with fiscal
8 agents: *Provided further*, That the certified financial reports
9 and schedules of the fiscal agents of the Corporation based on
10 commercial audits in the usual course of business may be
11 accepted by the General Accounting Office in its audit of the
12 financial transactions of the Corporation as final and not
13 subject to further audit verification.

14 “(d) Any examination of the corporate records shall be
15 made at the place or places where such records are normally
16 kept in the transaction of the corporate business, and the
17 Corporation shall retain custody of contracts, vouchers,
18 schedules, or other financial or accounting documents, either
19 original or duplicate, relating to its nonadministrative
20 transactions.”

21 SEC. 3. No funds appropriated to, borrowed by, or in
22 the custody or control of any governmental agency (includ-
23 ing any Government-owned or Government-controlled cor-
24 poration) shall be directly or indirectly used by or made
25 available to the Commodity Credit Corporation or any other

1 governmental agency (including any Government-owned or
2 Government-controlled corporation) to make any subsidy
3 or other payment, or to pay or absorb losses, on any agri-
4 cultural commodity or any commodity processed or manu-
5 factured in whole or substantial part therefrom, including
6 milk and livestock and the products thereof, either to reduce
7 or maintain, or in lieu of increasing, maximum prices estab-
8 lished on such commodities, except as provided in section 4
9 hereof: *Provided*, That with respect to any such commodities
10 for which subsidy programs or support prices have been
11 announced on or before October 13, 1943, such programs may
12 be carried out and such support prices may continue to be
13 maintained to the extent only that funds are available for
14 such purpose under existing law, but not beyond December
15 31, 1943: *Provided further*, That support prices shall con-
16 tinue to be announced for any such commodities pursuant to
17 section 4 of Public Law No. 147, approved July 1, 1941,
18 as amended, and loans shall continue to be made pursuant
19 to section 8 of Public Law No. 729, approved October 2,
20 1942, but any maximum prices heretofore or hereafter estab-
21 lished for such commodities shall not be below the support
22 prices therefor or below the prices specified in section 3 of
23 Public Law No. 729, approved October 2, 1942: *Provided*
24 *further*, That none of the foregoing provisions shall apply
25 to any payments or losses incurred in transactions with re-

1 spect to competitive domestic vegetable oils and fats and oil
2 seed.

3 SEC. 4. The Commodity Credit Corporation may sell at
4 a loss perishable fruits or vegetables, owned or controlled by
5 it, the increased production of which has been requested by
6 the War Food Administrator, if there is danger of substantial
7 loss through deterioration by spoilage.

Passed the House of Representatives November 23, 1943.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

NOVEMBER 26 (legislative day, NOVEMBER 18), 1943

Read twice and referred to the Committee on
Banking and Currency

ITEMS IN FEDERAL REGISTER Jan. 19, 1944 - No. 9

32. TRANSPORTATION. ICC's permits to common carriers regarding the reconsignment of citrus fruit and potato shipments (p. 733).
33. PRICE CONTROL. OPA's orders on seed flax tow, community ceiling prices, and food and drink sold for immediate consumption.
34. RATIONING. OPA's orders on tires, meats, and fats.
35. SELECTIVE SERVICE System's designation of Pownal project (Me.) as a camp for conscientious objectors (p. 748).
36. PRIORITIES. WPB's orders on alcohol, construction machinery, office supplies, operation of priorities system, staples, and staplers.

COMMITTEE HEARINGS Released by G.P.O.

37. PERSONNEL. H.R. 786, to amend the Employees' Compensation Act to include chiropractors. Senate Judiciary Committee.

COMMODITY CREDIT; SUBSIDIES. As reported by the Senate Committee, the bill prohibits use of Government funds for subsidy payments, etc., on agricultural commodities and products thereof, to reduce or maintain, or in lieu of increasing, maximum prices, except that programs announced on or before Oct. 13, 1943, may be carried out until not after June 30, 1944, with liquidation proceeding immediately; continues support prices and commodity loans, and prohibits maximum prices below the support prices and commodity-loan levels; permits subsidies on competitive domestic vegetable oils and fats and oil seed and oil seed meals; provides that these restrictions shall not apply to parity payments, soil-conservation payments, sugar-benefit payments, and sale of feed wheat under existing law; permits CCC to sell at a loss war crops of perishable fruits and vegetables to prevent spoilage; increases CCC's borrowing power by \$250,000,000; changes the basis for appraisal of CCC's assets; continues CCC as a U. S. agency until June 30, 1945; and provides for a limited audit of CCC's financial transactions by GAO.

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For supplemental information and copies of legislative materials referred to, call Ext. 4543, or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

BILLS INTRODUCED

21. PERSONNEL. By Sen. Langer, N. Dak., S. Res. 239, to authorize an investigation as to the number of foreign government nationals in United States agencies. To Foreign Relations Committee. Remarks of author. (p. 393.)
22. FRUIT PROCESSING; LABOR. By Rep. Anderson, Calif., H.R. 4018, to extend certain benefits of the Social Security Act to employees employed in connection with commercial processing and packaging of dried fruits and raisins. To Ways and Means Committee. (p. 444.)
23. SELECTIVE SERVICE. By Rep. Weiss, Pa., H.R. 4021, to amend the Soldiers' and Sailors' Civil Relief Act of 1940 so as to suspend the payment of interest and taxes on Federal Housing Administration mortgages. To Military Affairs Committee. (p. 444.)
24. PURCHASING; ELECTRIFICATION. By Rep. Case, S. Dak., H.R. 4022, to authorize procurement of public-utility services for which rates are fixed by public law or regulation. To Expenditures in the Executive Departments Committee. (p. 444.)
25. COMMODITY LOANS; FOOD PRODUCTION. By Rep. Landis, Ind., H.J. Res. 223, to insure the complete fulfillment of commitments made to producers who have expanded production of nonbasic agricultural commodities. To Banking and Currency Committee. (p. 444.)

ITEMS IN APPENDIX

26. LEND-LEASE. Rep. Jarman, Ala., inserted a Washington Post editorial commending the lend-lease program (p. A294).
27. PRESIDENT'S ANNUAL MESSAGE. Extension of remarks of Rep. Michener, Mich., including a Monroe (Mich.) Evening News editorial which criticizes the President's message and his five-point program claiming that the President is "seeking reelection" (pp. A291-2).
28. FLOOD CONTROL. Rep. Wickersham, Okla., inserted E.T. Peterson's article "Floods Are Unnecessary" in which he commends the work of Dr. H. H. Bennett (pp. A271-3).
29. LIVESTOCK INDUSTRY. Sen. Butler, Nebr., inserted F. S. Boice's speech criticizing consumer subsidies and cattle-price ceilings (pp. A277-79).
30. MANPOWER MOBILIZATION. Extension of remarks of Rep. White, Idaho, criticizing the proposed National Service Law (p. A284).
31. FOREIGN TRADE. Sen. Barkley, Ky., inserted several addresses on world peace including one by Sen. Ball, Minn., which states that one step in achieving world peace is the voluntary working out by nations of trade and commerce policies which will give to all nations and peoples access to raw materials and markets vital to their economic survival (pp. A267-71).

CONTINUING THE COMMODITY CREDIT CORPORATION
AS AN AGENCY OF THE UNITED STATES

JANUARY 19 (legislative day, JANUARY 11), 1944.—Ordered to be printed

Mr. BANKHEAD, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany H. R. 3477]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, having considered the same, report favorably thereon with an amendment in the nature of a substitute and recommend that the bill as amended do pass.

APPRAISAL OF ASSETS OF THE CORPORATION

The first section of the committee amendment provides for a revision in the basis of the annual appraisal of the assets of the Commodity Credit Corporation by the Treasury. This revision is made as a matter of simplification. It seems more appropriate for the appraisal to be made on June 30 each year since that is the closing date of the fiscal year. The new basis for appraisal provided by this section is cost at the time of appraisal, or the average market prices during the last month of the fiscal year, whichever is lower, rather than cost plus a year's carrying charges or the average market price for 12 months, whichever is the lower.

EXTENSION OF LIFE OF THE CORPORATION AND AUDITING ITS ACCOUNTS

Section 2 extends the life of the Commodity Credit Corporation as an agency of the Government to June 30, 1945, or such earlier date as may be fixed by the President by Executive order. Section 2 further provides for an audit of the capital fund operations of the Commodity Credit Corporation by the General Accounting Office. It is provided that this audit shall be made in accordance with principles applicable to commercial corporate transactions. Since the establishment of the Corporation in 1933, its capital-fund operations have been subjected to a commercial type of audit by the Reconstruction Finance Corpora-

tion as an incident to the financial relationship between the two corporations. In addition, many of the capital-fund operations which are carried out through the facilities of the Federal Reserve banks have also, because of the interest of the banks in these operations, been subjected to a commercial type of audit by these banks. Moreover, pursuant to the act of March 8, 1938 (52 Stat. 107, as amended), the Treasury Department makes an annual appraisal of the assets and liabilities and a determination of the net worth of the Corporation and reports the same annually to Congress. The administrative expenses of the Corporation are audited by the General Accounting Office in accordance with the regular governmental type of audit as required by the appropriation act making funds of the Corporation available for these expenses. This audit of administrative expenses by the General Accounting Office is not disturbed by the bill, but the audit of the capital-fund transactions provided by this bill could replace the commercial type audit made by the Reconstruction Finance Corporation.

As an incorporated agency of the United States the Commodity Credit Corporation follows business methods and procedures in the performance of its functions rather than the customary pattern of Government department or bureau operations. Flexibility in operation, an essential attribute of the corporate form of organization, is indispensable to the accomplishment of the functions and objectives for which Congress has directed that the Commodity Credit Corporation be employed. The War Food Administration and the Comptroller General of the United States agree that the regular governmental type of audit is not adaptable to the capital fund operations of the Commodity Credit Corporation.

In general, the purpose of the governmental type of audit is to determine the validity of expenditures under appropriations made by the Congress, in the light of restrictions and limitations placed by the Congress generally upon the expenditure of appropriated moneys. It is a part of a system designed to enforce the personal accountability of governmental officers authorizing or expending those funds upon the basis of documents and records usually submitted to the General Accounting Office and retained in its custody. In contrast, the commercial type of audit is separate and apart from the accounting system and internal financial control of the Corporation and is designed to determine the true financial condition of the Corporation as of a given date and the results of its financial operations during the period covered by the audit, as well as establishing whether the funds of the Corporation have been regularly expended in accordance with operate authorization. These determinations are made by detailed examination of the operating and financial records of the Corporation at the places where they are being used in the conduct of corporate business.

The Commodity Credit Corporation's fiscal responsibility is vested in the Corporation and not in the individual fiscal agents. In other words, the fiscal agents are responsible to the Corporation, which in turn is liable to the Federal Government for the Government's investment in the Corporation. The examination of the individual accounts of particular fiscal agents with a view to external control and settlement would not facilitate a determination of the financial standing or progress of the Corporation as a whole. Such an examination would,

as a matter of fact, seriously interfere with the Corporation's internal financial management and impair the flexibility which is the very basis of the Corporation's existence.

The fundamental difference between the two types of audit, and the inadequacy of the governmental type of audit as applied to capital-fund operations of the Corporation, may be more clearly seen from a comparison of the procedures involved.

The governmental type of audit generally involves the following seven steps:

1. The fixing of the amount for which the disbursing officer is accountable under his bonded responsibility by reason of the advance of funds under particular appropriations upon accountable warrants and by reason of collections received by him;

2. The submission by the designated disbursing officer to the General Accounting Office for audit and settlement of an account supported by certified vouchers and by other original papers evidencing specific payments which he has made from the particular funds charged to him;

3. The examination by the General Accounting Office of these vouchers and other original supporting papers to determine whether the payments covered thereby were properly authorized and whether the expenditures represent valid obligations of the Government under the specific appropriation sought to be charged;

4. The settlement by the General Accounting Office of the disbursing officer's account and the determination of his liability to the United States;

5. The determination of the liability to the United States of the officer certifying for payment the items included in the disbursing officer's account;

6. The preparation and issuance of certificates of settlement incorporating all unexplained or unadjusted differences developed in the examinations of the accounts; and

7. The institution of collection proceedings if the accountable officer fails to pay over any balances found due from him in the settlement.

The commercial type of audit ordinarily made of large business corporations usually involves the following seven steps:

1. The establishment of the authorities of the various officers and employees by reference to the original articles of incorporation, bylaws, minutes of the board of directors, and other official authorizations taken in the name of the Corporation;

2. The verification, through appropriate checks, of the original, general, and subsidiary ledgers by comparison of original collection and disbursement documents with such ledgers and, in connection with this, the determination that all actions reviewed are properly authorized;

3. The verification from the original accounting records and supporting documents of the accuracy of all items appearing on the balance sheet, including verification of all cash on hand and in banks, and when needed, positive establishment of the existence of assets by physical inventory methods or through inquiries addressed to debtors and the determination of actual liabilities through inquiries addressed to creditors;

4. The review and establishment of the accuracy of any operating statements to determine that they clearly indicate the financial prog-

ress of the Corporation during the period covered by the audit, including proper reflection of any profits made or losses suffered;

5. Determination, in light of the actions by the board of directors and any changes in the policies of the Corporation, that proper records are established and necessary safeguards developed correctly to reflect the financial operations of the Corporation and to protect the Corporation from financial loss which can be prevented by proper and adequate records and procedures;

6. The preparation of a report covering the audit, including certified financial statements and comments deemed appropriate by the auditor, such as recommendations for changes in the accounting procedure and records, errors still uncorrected at the completion of the audit, analysis of facts brought out in the financial statements, and the submission of such a report to the officials ordering the audit; and

7. The institution of corrective action by the corporate management.

Aside from the more fundamental differences in approach and purposes apparent between these two systems, it should also be noted that the nature of the capital fund operations of the Corporation is such that it is impractical, if not impossible, to assemble in one place the original vouchers and other original papers supporting the capital fund operations of the Corporation and still permit the Corporation to carry out the business responsibilities imposed upon it by the Congress. For example, papers supporting particular transactions such as warehouse receipts, bills of sale, etc., must, in many cases, be retained by the Corporation at particular locations for continued use in connection with the original transaction. In other cases, these original documents are required to be recorded and held in public offices or deposited with banks or other institutions. As a further example, notes purchased by the Commodity Credit Corporation, evidencing borrowings by farmers and others, are required to be deposited with the banks at which the notes are to be paid for eventual surrender upon payment.

The regular governmental type of audit deals solely with the receipt and expenditure of funds. In the case of the Commodity Credit Corporation, which has large stocks of commodities on hand, large amounts of receivables and payables and similar items that develop as a result of the commercial nature of its operations, an audit dealing with only the cash receipts and expenditures is totally inadequate. The commercial type audit as outlined above covers the entire financial operation and is the only type which will provide, in the opinion of the War Food Administrator and the Comptroller General, an adequate audit and a comprehensive report for this Corporation.

Although the Corporation has had the benefit of a commercial type of audit of its capital fund operations in the past by the Reconstruction Finance Corporation and also in some instances by the Federal Reserve banks, it recognizes the desirability of having that audit performed by the public auditor, the General Accounting Office. The General Accounting Office also recognizes the desirability of performing this type of audit for the Corporation, but considerable doubt is entertained whether it is authorized to do so under existing legislation. On the other hand, considerable doubt is entertained whether the Commodity Credit Corporation is authorized to permit a

regular governmental type of audit of its capital fund operations. Accordingly, the Congress is asked to resolve these doubts by specifically authorizing the General Accounting Office to make an audit of the capital fund operations of the Commodity Credit Corporation in accordance with the principles applicable to commercial corporate operations, as provided in section 2 of the committee amendment.

ANTISUBSIDY PROVISIONS

Section 3 of the committee amendment provides, with the exceptions hereinafter referred to, that no Government funds shall be used to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity, including milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities. The section provides that with respect to any such commodities for which programs involving such payments or losses were announced on or before October 13, 1943, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but such programs are to be wound up and liquidated within a reasonable time not later than June 30, 1944. The section also provides that support prices shall continue to be announced and maintained for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and that loans on agricultural commodities shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, and that any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942. None of the provisions of the section are to be applicable with respect to payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oilseed and oilseed meals. The section also provides that none of its provisions shall be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

SALE OF PERISHABLE COMMODITIES AT A LOSS

Section 4 of the committee amendment provides that the Commodity Credit Corporation may sell at a loss perishable fruits or vegetables owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage.

INCREASE IN BORROWING POWER OF THE CORPORATION

Section 5 of the committee amendment amends the act of March 8, 1938, so as to provide for an increase of \$250,000,000 in the amount of the bonds, notes, debentures, and other similar obligations which the Commodity Credit Corporation is authorized to issue and have outstanding at any one time.

Calendar No. 641

78TH CONGRESS
2D SESSION

H. R. 3477

[Report No. 631]

IN THE SENATE OF THE UNITED STATES

NOVEMBER 26 (legislative day, NOVEMBER 18), 1943

Read twice and referred to the Committee on Banking and Currency

JANUARY 19 (legislative day, JANUARY 11), 1944

Reported by Mr. BANKHEAD, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Act approved March 8, 1938 (52 Stat.
4 107), as amended, is hereby amended by deleting from
5 the first sentence thereof the term "31st of March" where
6 that term first appears therein and substituting in lieu
7 thereof the term "30th of June", and by deleting from
8 the second sentence thereof "on the basis of the cost, includ-
9 ing not more than one year of carrying charges, of such
10 assets to the Corporation, or the average market prices of

1 such assets for a period of twelve months ending with March
 2 31 of each year, whichever is less" and inserting in lieu
 3 thereof "on the basis of the cost, or, insofar as practicable,
 4 the average market price of such assets during the last
 5 month of the fiscal year covered by the appraisal, which-
 6 ever is the lower". The first appraisal of the assets and
 7 liabilities of the Commodity Credit Corporation on the basis
 8 established by this amendment shall be made as of June 30,
 9 1944.

10 SEC. 2. Section 7 of the Act approved January 31, 1935
 11 (49 Stat. 4), as amended, is hereby amended by changing
 12 the designation thereof of section 7 (a); by striking out in
 13 the first sentence of such section "December 31, 1943" and
 14 inserting in lieu thereof "June 30, 1945"; and by striking
 15 out the period at the end of such section and inserting in lieu
 16 thereof a colon and the following: "*Provided, however, That*
 17 the Corporation shall at all times maintain complete and
 18 accurate books of account and shall determine the procedures
 19 to be followed in the transaction of the corporate business.

20 "(b) The financial transactions of the Corporation be-
 21 ginning with the period from July 1, 1944, shall be audited
 22 by the General Accounting Office in accordance with the
 23 principles applicable to commercial corporate transaction
 24 and under such rules and regulations as may be prescribed by
 25 the Comptroller General of the United States: *Provided,*

1 That the Corporation shall continue to have the authority to
2 make final and conclusive settlement and adjustment of any
3 claims by or against the Corporation or the accounts of its
4 fiscal officers: *Provided further*, That a report of such audit
5 shall be made to the Congress, together with such recom-
6 mendations as the Comptroller General may deem advisable,
7 and that each such report shall cover a period of one fiscal
8 year: *Provided further*, That a copy of each such report
9 shall be furnished the Secretary of the Treasury and that
10 the findings contained therein shall be considered by the
11 Secretary in appraising the assets and liabilities and determin-
12 ing the net worth of the Corporation under section 1
13 and 2 of the Act of March 8, 1938 (52 Stat. 107), as
14 amended: *Provided, however*, That nothing in this section
15 shall be construed as modifying legislation authorizing the
16 use of funds of the Corporation for administrative expenses
17 and requiring accountability therefor.

18 “(e) The expenses of the audit as provided in this sec-
19 tion may be paid up to and including June 30, 1946, from
20 moneys advanced therefor by the Corporation, or from any
21 appropriation or appropriations for the General Accounting
22 Office, and appropriations so used shall be reimbursed
23 promptly by the Corporation as billed by the Comptroller
24 General: *Provided*, That any such advances or reimburse-
25 ments shall be considered as nonadministrative expenses of

1 the Corporation. For the purpose of such audit the repre-
2 sentatives of the General Accounting Office shall have access
3 to all papers, books, files, accounts, financial records, ware-
4 houses, and all other things, property, and places belonging
5 to or under the control of or used or employed by the Cor-
6 poration and shall be afforded full facilities for verifying
7 transactions with the balances in depositaries and with fiscal
8 agents: *Provided further*, That the certified financial reports
9 and schedules of the fiscal agents of the Corporation based on
10 commercial audits in the usual course of business may be
11 accepted by the General Accounting Office in its audit of the
12 financial transactions of the Corporation as final and not
13 subject to further audit verification.

14 “(d) Any examination of the corporate records shall be
15 made at the place or places where such records are normally
16 kept in the transaction of the corporate business, and the
17 Corporation shall retain custody of contracts, vouchers,
18 schedules, or other financial or accounting documents, either
19 original or duplicate, relating to its nonadministrative
20 transactions.”

21 SEC. 3. No funds appropriated to, borrowed by, or in
22 the custody or control of any governmental agency (includ-
23 ing any Government-owned or Government-controlled cor-
24 poration) shall be directly or indirectly used by or made
25 available to the Commodity Credit Corporation or any other

1 governmental agency (including any Government-owned or
2 Government-controlled corporation) to make any subsidy
3 or other payment, or to pay or absorb losses, on any agri-
4 cultural commodity or any commodity processed or manu-
5 factured in whole or substantial part therefrom, including
6 milk and livestock and the products thereof, either to reduce
7 or maintain, or in lieu of increasing, maximum prices estab-
8 lished on such commodities, except as provided in section 4
9 hereof: *Provided*, That with respect to any such commodities
10 for which subsidy programs or support prices have been
11 announced on or before October 13, 1943, such programs may
12 be carried out and such support prices may continue to be
13 maintained to the extent only that funds are available for
14 such purpose under existing law, but not beyond December
15 31, 1943: *Provided further*, That support prices shall con-
16 tinue to be announced for any such commodities pursuant to
17 section 4 of Public Law No. 147, approved July 1, 1941,
18 as amended, and loans shall continue to be made pursuant
19 to section 8 of Public Law No. 729, approved October 2,
20 1942, but any maximum prices heretofore or hereafter estab-
21 lished for such commodities shall not be below the support
22 prices therefor or below the prices specified in section 3 of
23 Public Law No. 729, approved October 2, 1942: *Provided*
24 *further*, That none of the foregoing provisions shall apply

1 to any payments or losses incurred in transactions with re-
2 spect to competitive domestic vegetable oils and fats and oil
3 seed.

4 SEC. 4. The Commodity Credit Corporation may sell at
5 a loss perishable fruits or vegetables, owned or controlled by
6 it, the increased production of which has been requested by
7 the War Food Administrator, if there is danger of substantial
8 loss through deterioration by spoilage.

9 *That section 1 of the Act approved March 8, 1938 (52 Stat.*
10 *107), as amended, is hereby amended by deleting from the*
11 *first sentence thereof the term "31st of March" where that*
12 *term first appears therein and substituting in lieu thereof the*
13 *term "30th of June", and by deleting from the second sen-*
14 *tence thereof "on the basis of the cost, including not more*
15 *than one year of carrying charges, of such assets to the*
16 *Corporation, or the average market prices of such assets for*
17 *a period of twelve months ending with March 31 of each*
18 *year, whichever is less" and inserting in lieu thereof "on*
19 *the basis of the cost, or, insofar as practicable, the average*
20 *market price of such assets during the last month of the*
21 *fiscal year covered by the appraisal, whichever is the lower".*
22 *The first appraisal of the assets and liabilities of the Com-*
23 *modity Credit Corporation on the basis established by this*
24 *amendment shall be made as of June 30, 1944.*

25 SEC. 2. Section 7 of the Act approved January 31, 1935

1 (49 Stat. 4), as amended, is hereby amended by changing
2 the designation thereof to section 7 (a); by striking out in
3 the first sentence of such section "February 17, 1944" and
4 inserting in lieu thereof "June 30, 1945"; and by striking
5 out the period at the end of such section and inserting in
6 lieu thereof a colon and the following: "Provided, however,
7 That the Corporation shall at all times maintain complete and
8 accurate books of account and shall determine the procedures
9 to be followed in the transaction of the corporate business.

10 “(b) The financial transactions of the Corporation be-
11 ginning with the period from July 1, 1944, shall be audited
12 by the General Accounting Office in accordance with the
13 principles applicable to commercial corporate transactions and
14 under such rules and regulations as may be prescribed by
15 the Comptroller General of the United States: Provided,
16 That the Corporation shall continue to have the authority to
17 make final and conclusive settlement and adjustment of any
18 claims by or against the Corporation or the accounts of its
19 fiscal officers: Provided further, That a report of such audit
20 shall be made to the Congress, together with such recom-
21 mendations as the Comptroller General may deem advisable,
22 and that each such report shall cover a period of one fiscal
23 year: Provided further, That a copy of each such report shall
24 be furnished the Secretary of the Treasury and that the find-
25 ings contained therein shall be considered by the Secretary

1 in appraising the assets and liabilities and determining the
2 net worth of the Corporation under sections 1 and 2 of the
3 Act of March 8, 1938 (52 Stat. 107), as amended: Provided,
4 however, That nothing in this section shall be construed as
5 modifying legislation authorizing the use of funds of the
6 Corporation for administrative expenses and requiring ac-
7 countability therefor.

8 “(c) The expenses of the audit as provided in this sec-
9 tion may be paid up to and including June 30, 1946, from
10 moneys advanced therefor by the Corporation, or from any
11 appropriation or appropriations for the General Accounting
12 Office, and appropriations so used shall be reimbursed
13 promptly by the Corporation as billed by the Comptroller
14 General: Provided, That any such advances of reimburse-
15 ments shall be considered as nonadministrative expenses of
16 the Corporation. For the purpose of such audit the repre-
17 sentatives of the General Accounting Office shall have access
18 to all papers, books, files, accounts, financial records, ware-
19 houses, and all other things, property, and places belonging
20 to or under the control of or used or employed by the Cor-
21 poration and shall be afforded full facilities for verifying
22 transactions with the balances in depositaries and with fiscal
23 agents: Provided further, That the certified financial reports
24 and schedules of the fiscal agents of the Corporation based on
25 commercial audits in the usual course of business may be ac-

1 *cepted by the General Accounting Office in its audit of the*
2 *financial transactions of the Corporation as final and not sub-*
3 *ject to further audit verification.*

4 “(d) *Any examination of the corporate records shall*
5 *be made at the place or places where such records are nor-*
6 *mally kept in the transaction of the corporate business, and*
7 *the Corporation shall retain custody of contracts, vouchers,*
8 *schedules, or other financial or accounting documents, either*
9 *original or duplicate, relating to its nonadministrative*
10 *transactions.”*

11 *SEC. 3. No funds appropriated to, borrowed by, or in the*
12 *custody or control of any governmental agency (including*
13 *any Government-owned or Government-controlled corpora-*
14 *tion) shall be directly or indirectly used by or made available*
15 *to the Commodity Credit Corporation or any other govern-*
16 *mental agency (including any Government-owned or Govern-*
17 *ment-controlled corporation) to make any subsidy or other*
18 *payment, or to pay or absorb losses, on any agricultural*
19 *commodity or any commodity processed or manufactured in*
20 *whole or substantial part therefrom, including milk and live-*
21 *stock and the products thereof, either to reduce or maintain,*
22 *or in lieu of increasing, maximum prices established on such*
23 *commodities, except as provided in section 4 hereof: Pro-*
24 *vided, That with respect to any such commodities for which*
25 *programs involving such payments or losses have been an-*

1 nounced on or before October 13, 1943, such programs may
2 be carried out to the extent only that funds are available for
3 such purpose under existing law, but winding up and liqui-
4 dating such programs shall proceed after the date of enact-
5 ment of this Act, and shall be completed within a reasonable
6 time not later than June 30, 1944: Provided further, That
7 support prices shall continue to be maintained and announced
8 for any such commodities pursuant to section 4 of Public
9 Law No. 147, approved July 1, 1941, as amended, and
10 loans shall continue to be made pursuant to section 8 of
11 Public Law No. 729, approved October 2, 1942, but any
12 maximum prices heretofore or hereafter established for such
13 commodities shall not be below the support prices therefor or
14 below the prices specified in section 3 of Public Law No. 729,
15 approved October 2, 1942: Provided further, That none of
16 the foregoing provisions shall apply to any payments or
17 losses incurred in transactions with respect to competitive
18 domestic vegetable oils and fats and oil seed and oil seed
19 meals: And provided further, That nothing herein shall be
20 construed to prevent the making of parity payments, soil-
21 conservation payments, or benefits to sugar growers author-
22 ized under title III of the Sugar Act of 1937, as amended,
23 or the sale of feed wheat as authorized by existing law.

24 SEC. 4. The Commodity Credit Corporation may sell at
25 a loss perishable fruits or vegetables, owned or controlled by

1 *it, the increased production of which has been requested by*
2 *the War Food Administrator, if there is danger of substantial*
3 *loss through deterioration by spoilage.*

4 *SEC. 5. The first sentence of section 4 of the Act ap-*
5 *proved March 8, 1938 (52 Stat. 108), as amended, is hereby*
6 *amended by striking out “\$3,000,000,000” and inserting in*
7 *lieu thereof “\$3,250,000,000”.*

Passed the House of Representatives November 23,
1943.

Attest:

SOUTH TRIMBLE,

Clerk.

78TH CONGRESS
2^D Session

H. R. 3477

[Report No. 631]

AN ACT

To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

NOVEMBER 26 (legislative day, NOVEMBER 18), 1943

Read twice and referred to the Committee on
Banking and Currency

JANUARY 19 (legislative day, JANUARY 11), 1944

Reported with an amendment

I have here a telegram from the eastern part of the State, right next to Minnesota, which reads:

PORTLAND, N. DAK., January 18, 1944.

HON. WILLIAM LANGER,
United States Senator,

Washington, D. C.:

No grain cars for 10 days. Car shortage here very serious, except for a period of 10 days in December. We have been plugged since August 15. Elevator capacity of 150,000 bushels, and which is all cash grain. Farmers have thousands of bushels of grain on farms; anxious to haul now, because of the shortage of farm labor, before busy season begins. Elevator has 400 stockholders, who all object to cars going to Canada.

PORTLAND FARMERS' UNION ELEVATOR,
E. LENABURG, Manager.

CONTINUATION OF COMMODITY CREDIT CORPORATION—REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. BANKHEAD. From the Committee on Banking and Currency, I report back favorably with an amendment to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, and I submit a report (No. 631) thereon.

I desire to give to the Senate the information that when the tax bill is out of the way the majority leader will probably, on Friday, move to take up the Commodity Credit Corporation bill.

The PRESIDING OFFICER. Without objection, the report will be received, and the bill will be placed on the calendar.

FOREIGN GOVERNMENT NATIONALS IN UNITED STATES AGENCIES

Mr. LANGER. Mr. President, in view of certain information which has come to me, I deem it my duty to bring to the attention of the Senate a situation which, if my information is accurate, seems to me dangerous to the war effort, fraught with peril to the American people, sinister in its implications, involving men high in the Government, destined to make the United States hated by small foreign governments, and robbing the taxpayers of the United States.

I believe, from the information given me, that several hundred persons, many of whom are British subjects, others of whom have only taken out their first naturalization papers, and others deliberately planted here by foreign governments, are holding key positions in agencies controlling American foreign affairs, and that many of them are furthering British aims at American expense.

I realize the seriousness of these charges, and would not make them unless I were satisfied that they are true. It is my understanding that international financiers have formed a powerful British syndicate which has taken over the entire mineral rights of Ethiopia, taking them away from the common people, and that this syndicate has become so powerful that it has thwarted the American mission to Ethiopia, that the American mission has not gotten started because a British subject high in the councils of this Government has stopped the processing of the proper

papers for the personnel of the commission, and that this high official has stated that he would see that the members of the American mission would never be granted the necessary passports.

Mr. President, these facts are either true or untrue. They are, however, of such tremendous importance that in my opinion they merit the most careful and fullest consideration by the proper committee, and unless we do something here soon the American people are going to wake up some morning terribly disillusioned. It is for this purpose that I submit the following resolution:

Resolved, That an appropriate standing committee of the Senate to be designated by the President of the Senate is authorized and directed to make a full and complete study and investigation with a view to ascertaining (1) to what extent important American foreign affairs are being directed by self-admitted "international officials," (2) how many key positions in agencies supported by American taxpayers are occupied by British subjects who have never become naturalized citizens of the United States, or have taken out only first papers, (3) whether or not English-Americans have been deliberately planted in these agencies particularly those controlling American foreign affairs not to further American interests but to safeguard and enhance British interests at American expense, (4) how many persons holding positions in the Foreign Economic Administration are pro-British, (5) whether Lauchlin Currie, one of the anonymous executive assistants to the President and who has recently been appointed Acting Deputy Administrator of the Foreign Economic Administration, is a British subject, (6) whether it is true that competent American engineers ready, willing, and anxious to do the work have been ignored while persons who owe allegiance to Great Britain have been hired. Such committee shall report to the Senate at the earliest practicable date concerning the results of its investigation, together with any recommendations it may deem appropriate.

For the purpose of this investigation, the committee designated by the President of the Senate, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed \$, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. President, I ask unanimous consent that the resolution be received and referred to the Committee on Foreign Relations.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Without objection, the resolution (S. Res. 239) will be received and referred to the Committee on Foreign Relations.

THE REVENUE ACT

The Senate resumed the consideration of the bill (H. R. 3687) to provide revenue, and for other purposes.

Mr. BARKLEY. Mr. President, I understand there are no further amendments pending, or, so far as I know, to be offered.

Mr. LANGER. Mr. President, I have two or three more.

Mr. BARKLEY. I thought the Senator was not going to offer them.

Mr. LANGER. They are very short.

Mr. BARKLEY. Then what I said is not correct. But the Senator had better get busy with them if he is going to offer them.

Mr. President, the Senator from North Dakota says he has two or three short amendments.

Mr. LANGER. Mr. President, I offer an amendment which I submitted a few days ago, and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert a new section, as follows:

SEC. —. Exclusion from gross income of retirement pay of enlisted military and naval personnel.

Section 22 (b) of the Internal Revenue Code (relating to exclusions from gross income) is amended by inserting at the end thereof the following:

"(15) Retirement pay of enlisted military and naval personnel: In the case of retired enlisted personnel of the Army, Navy, Marine Corps, and Coast Guard, the amount received from the United States as retirement pay."

Mr. LANGER. Mr. President, I am advised by some persons who were formerly in the military or naval service but have been retired that the amount of pay they receive is just barely enough to enable them to live. The amounts received by certain widows are very small. If the persons in question are obliged to pay income tax upon the retirement pay it will place a real burden upon them. I offer the amendment for the purpose of relieving them of this burden.

Mr. BARKLEY. Mr. President, this matter has been under discussion heretofore. It involves the question whether retirement pay, which is not a gratuity on the part of the Government, but is a part of a salary which has been earned by reason of longevity in service by men in the Army and Navy, should be exempt from taxation. The same argument would undoubtedly apply to Government employees who have become a part of the retirement system. We might as well exempt from taxation what they receive from the Government of the United States as retirement pay, which they have earned over a period of years. My opinion would be that if the particular individuals of whom the Senator from North Dakota speaks are in such distressed circumstances that what they receive is not sufficient to enable them to live, they would not be paying an income tax anyway. But it seems to me to be a bad policy to exempt from Federal income tax a part of a compensation which has been earned over a period of years and which is being drawn after retirement.

I think the Senator from Georgia the chairman of the committee, who has temporarily absented himself from the Chamber in order to get a bite of lunch,

has discussed that matter here on the floor of the Senate and in the committee; and I think the opinion I have expressed is the attitude he has expressed and the attitude the committee has taken with regard to amendments of this type.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. LANGER].

The amendment was rejected.

Mr. LANGER. Mr. President, I offer the amendment which has been printed and lies on the desk, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, as follows:

SEC. —. Exclusion from gross income of retirement pay of disabled enlisted military and naval personnel.

Section 22 (b) (13) (relating to additional allowance for military and naval personnel) is amended to read as follows:

"(13) Additional allowance for military and naval personnel: In the case of compensation received during any taxable year and before the termination of the present war as proclaimed by the President, by a member of the military or naval forces of the United States for active service in such forces during such war, by a citizen or resident of the United States who is a member of the military or naval forces of any of the other United Nations for active service in such forces during such war, or by a disabled retired member of the military or naval forces of the United States, below the commissioned grades, who served in such forces during any war in which the United States has participated, as retirement pay, so much of such compensation as does not exceed \$1,500."

Mr. LANGER. Mr. President, the amendment simply provides that no disabled veteran, no matter what position he held, will pay a tax on any part of his income which does not exceed the sum of \$1,500.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was rejected.

Mr. LANGER. Mr. President, I offer the amendment which lies on the desk and has been printed, and ask that it be read, with the exception of the last three words.

The VICE PRESIDENT. The amendment will be read as requested.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, as follows:

SEC. —. Credit for dependents.

Section 25 (b) (2) (A) (relating to credit for dependents) is amended by inserting before the period at the end of the first sentence thereof a colon and the following: "Provided, That in the case of such persons who are children (including stepchildren and adopted children) of the taxpayer, the allowance shall be as follows: For each child, \$500."

Mr. LANGER. Mr. President, several days ago I submitted an amendment whereby the allowance for the first child would be \$500, and for the second child \$750. Last year the amount of the allowance for each child was \$400. In the pending bill the allowance for each child has been reduced to \$350.

All my amendment would do would be to provide an allowance of \$500 for each child. I wish to call attention once more to the fact that the poor families are the ones which have the most children. The record shows that the small tenant farmers and the men working in the coal mines are the ones who have the largest families. One need only read some of the speeches made by former President Theodore Roosevelt, in which he begged the people of the country not to be guilty of race suicide; one has only to look at the reports made last week, showing that the birth rate of the United States is again declining; one has only to consider that everyone has to pay taxes, even a man who earns the small amount of \$12 a week; one has only to consider that, because of the high cost of living, it costs more today than it did a year ago to take care of a little child or of any other dependent—one has only to consider those facts in order to know that the amendment should be agreed to.

I hope the Senate will vote that for each dependent, whether an adopted child or an old person who is dependent upon a son or daughter, the person paying the bills shall be allowed an income-tax credit of at least \$500.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. LANGER].

The amendment was rejected.

Mr. LANGER. Mr. President, I offer another amendment which has been printed and lies on the desk, and which I ask to have read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, as follows:

SEC. —. Credits against tax for voting in Federal election.

Part III of subchapter B of chapter 1 is amended by adding at the end of such part a new section as follows:

"SEC. 36. Credit for voting in Federal election.

"Against the tax imposed by this chapter there shall be allowed in the case of an individual who shall have voted during the taxable year in one or more elections for electors for President and Vice President, Senator, or Member of the House of Representatives, a credit of \$25: *Provided*, That in the case of a husband and wife filing a joint return only one such credit shall be allowed."

Mr. LANGER. Mr. President, in the last election the number of persons who stayed at home from the election was sufficiently large to have decided the election. If all those who stayed at home had voted for one person, neither Mr. Willkie nor Mr. Roosevelt would have been elected President of this country. Two out of every five persons who were entitled to vote did not vote. Forty percent of the people stayed at home.

In the recent election for mayor of the city of Chicago—I cite this instance merely to show the trend—one-half million people did not vote.

I believe something should be done to offer some inducement to get out the voters. In some of the countries of South America a man who does not vote

is put in jail. In other South American countries a man who does not vote is fined. In some of the countries of Europe, according to my understanding, those who do not vote are punished.

I took up the matter with several diplomats from South America. They said that the law they have, under the terms of which persons who do not vote are punished, is rigidly enforced, and that it has resulted in very good government.

Mr. President, I made an investigation before I submitted the amendment, and afterward. We have heard a great deal from the distinguished chairman of the Committee on the District of Columbia [Mr. MCCARRAN] to the effect that the people of Washington wish to have the right to vote. There are thousands of Government employees in Washington. When I asked the chairman of the Committee on the District of Columbia whether or not any of them voted, he said that many of them could vote in Ohio, for example, and other States, by absentee ballot, but they did not. There was no inducement to them to vote.

All this amendment would do would be to allow a credit in the sum of \$25 to any man or woman who votes. Instead of being put in jail or fined, as is done in some of the South American countries, he would be offered an inducement to go to the polls. Our boys are fighting for liberty across the ocean. Mr. President, one of the greatest privileges of a free citizen is the right to vote. I believe we ought to offer some inducement to the people to vote, and I believe that the allowance of a credit of \$25 in a person's income tax for voting is not too much.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. If a person's income were not large enough to require him to pay a tax, what inducement would he have for voting?

Mr. LANGER. He would have no inducement.

Mr. AIKEN. Could he get a check?

Mr. LANGER. The amendment does not provide for that. It is my hope that possibly some Senator on the other side of the aisle will offer an amendment to the amendment, to provide a payment to poorer people who would not be entitled to the \$25 credit.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. DOWNEY. If I could be convinced that a vote cast under compulsion, or in the hope of making \$25, would be of any value to the State, I might be inclined to support the Senator's amendment; but if an individual were not sufficiently interested in public affairs to vote without hope of reward or fear of punishment, I cannot conceive that he would cast a vote that would be of very much value.

Mr. LANGER. I believe I can convince the Senator very easily. In some places corporations do not give their employees the opportunity to vote. They keep them working all day.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

JANUARY 20 (legislative day, JANUARY 11), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONEY to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz: In lieu of the matter proposed to be inserted by the committee beginning on page 9, line 11, and ending with line 23 on page 10, insert the following:

1 SEC. 3. No funds appropriated to, borrowed by, or in
2 the custody or control of any governmental agency (includ-
3 ing any Government-owned or Government-controlled cor-
4 poration) shall be directly or indirectly used by or made
5 available to the Commodity Credit Corporation or any other
6 governmental agency (including any Government-owned or

1 Government-controlled corporation) to make any subsidy
2 or other payment, or to pay or absorb losses, on any agri-
3 cultural commodity or any commodity processed or manu-
4 factured in whole or substantial part therefrom, including
5 milk and livestock and the products thereof, either to reduce
6 or maintain, or in lieu of increasing, maximum prices estab-
7 lished on such commodities, unless the Economic Stabiliza-
8 tion Director shall find that payments for any such purpose
9 are necessary in order to obtain needed production or dis-
10 tribution of a commodity consistently with the objectives
11 of the Emergency Price Control Act of 1942 and the
12 Stabilization Act (Public Law Numbered 729, approved
13 October 2, 1942) to prevent inflation and to stabilize prices,
14 wages, and salaries: *Provided*, That the total amount ex-
15 pended by means of such payments to provide needed pro-
16 duction or distribution of food commodities while keeping
17 national living costs stable shall not exceed \$1,500,000,000
18 in any fiscal year: *Provided further*, That incentive or pro-
19 duction adjustment payments may be made in accordance
20 with the foregoing provisions: *Provided further*, That the
21 limitations of this section shall not apply to the making of
22 parity payments or soil conservation payments; or to bene-
23 fits to sugar growers authorized under title III of the Sugar
24 Act of 1937, as amended, or to the sale of feed wheat as
25 authorized by existing law.

AMENDMENT

Intended to be proposed by Mr. MALONEY to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

JANUARY 20 (legislative day, JANUARY 11), 1944

Ordered to lie on the table and to be printed

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued January 25, 1944, for actions of Monday, January 24, 1944)

(For staff of the Department only)

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SENATE

- COMMODITY CREDIT; SUBSIDIES. Rejected, 33-38, Sen. Taft's (Ohio) motion to consider, H.R. 3477, the CCC bill, before the soldier-vote bill (pp. 609-10).
Sen. Butler, Mebr., submitted an amendment which he intends to propose to this bill (p. 603).
Sen. Capper, Kans., criticized subsidies and inserted a Bellview (Kans.) Grange resolution opposing "subsidies and special crop parity payments for agriculture" (pp. 602-3).
At the request of Sen. Barkley, Ky., passed over, S. 1088, to amend the AAA Act of 1938 to restrict the sale of cotton held by or on behalf of the U.S.
- A.A.A.; GRANTS-IN-AID. At the request of Sen. Barkley, Ky., passed over S. 1421, providing for State inspection of fertilizers and nursery stock or seeds that may be distributed by U.S. agencies (p. 607).
- SURPLUS PROPERTY. At the request of Sen. Barkley, Ky., passed over S. Res. 195, requesting an investigation concerning Government property and materials no longer needed for war purposes (p. 606).
- PAYMENTS IN LIEU OF TAXES. At the request of Sen. Barkley, Ky., passed over, S. 249, providing for taxation by the States and political subdivisions of real property acquired for military purposes (p. 606).
- RECLAMATION. At the request of Sen. Barkley, Ky., passed over S. 1257, authorizing wartime construction and operation of reclamation projects (p. 606).
- SOLDIER-VOTE BILL. Began debate on this bill, S. 1612 (pp. 610-38).
- PERSONNEL. At the request of Sen. Barkley, Ky., passed over S. 865, suspending for the duration of the war the limitations upon the compensation of retired

personnel employed by the Government (p. 606).

8. CLAIMS; INSECT CONTROL. At the request of Sen. Vandenberg, Mich., passed over S. 403, for the relief of claimants who suffered losses and sustained damages as the result of the Mediterranean-fruitfly campaign in Fla. (p. 605).
9. DAIRY INDUSTRY. At the request of Sen. Barkley, Ky., passed over H.R. 149, to change the definition and standard of identity of certain dry milk solids (p. 608).
10. FOOD FOR EUROPE. Discussed and, at the request of Sen. Barkley, Ky., passed over S. Res. 100, favoring action looking to relief for starving peoples of Europe (p. 608).
11. PUBLIC LANDS. At the request of Sen. Barkley, Ky., passed over S. 1046, repealing 16 U.S.C. 431, which authorizes the President to proclaim U.S. lands as national monuments (p. 606).
12. SELECTIVE SERVICE. At the request of Sen. Barkley, Ky., passed over S. 675, to amend the Selective Service and Training Act of 1940 so as to extend the benefits of the Employees' Compensation Act to conscientious objectors (p. 605).
13. LEGISLATIVE FUNCTIONS. Sen. Maloney, Conn., inserted a Washington Post editorial favoring his S. Con. Res. 23, to establish a Joint Committee on the Reorganization of Congress (p. 602).
14. FARM SITUATION. Sen. Capper, Kans., inserted a constituent's letter stating that farmers resent strikes and "complicated" income-tax forms (p. 603).

HOUSE

15. FOREIGN RELIEF. Continued debate on H.J. Res. 192, to enable the U.S. to participate in the work of UNRRA (pp. 646-68).
Rejected, 78-135, Rep. Fish's (N.Y.) amendment to provide that 90% of the money authorized in the bill be spent for the purchase of farm products and other supplies in the U.S. (pp. 647-57) after agreeing to Rep. Crawford's (Mich.) amendment to the above amendment (p. 656).
During the debate, Rep. Taber, N.Y., discussing the method of feeding people in distressed countries, stated that it should be done in a "very careful way..." We should not make the messes that the Board of Economic Warfare made and that the War Food Administration has made with reference to some of its stockpiles" (p. 653).
16. SURPLUS COMMODITIES. Received from the War Food Administrator the annual report of the FSCO for the fiscal year 1943. To Agriculture Committee. (p. 672.)
17. TAXATION. Conferees were appointed on H.R. 3687, the tax bill (p. 645). Senate conferees were appointed Jan. 21 (p. 598).
Rep. Carlson, Kans., spoke favoring his H.J. Res. 211, for the establishment of a Federal Tax Commission to streamline and simplify the entire Federal tax structure (p. 669).
18. PENALTY MAIL. Post Office and Post Roads Committee reported without amendment H.R. 4033, which requires (effective July 1, 1944) that all penalty envelopes and other mailing materials be procured or accounted for through the Post Office Department; that the Post Office Department report periodically to Congress and the Budget Bureau the number of such materials; that Government agencies include in their Budget estimates anticipated Post Office costs of handling penalty mail; that, beginning Aug. 1, 1944, no penalty mail weighing more than 4 pounds



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Senate

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, Thou hast housed us in a universe where all is love yet all is law. Morning by morning, Thou bringest Thy judgments to light and we behold both Thy goodness and Thy severity. In devastating events Thy wayward children are reaping the bitter harvest of Thy broken laws. The penalties which wreck our world are telling us that in Thy all-embracing love there are rays of wrath as well as of mercy. In a rocking and reeling earth Thou art teaching us by tragedy that every purpose and policy that is alien from love and based on selfishness is already sentenced to death, because it is resisting the supreme power.

As we see the tragic consequence of our self-will which spoils the splendor of life for others, of our complacent acquiescence of privilege which robs others of their birthright, give us honesty to see and face our sins against our own souls, against our fellowmen, and Thee. Across the havoc of our selfishness may we find a path of discipline and sacrifice leading to a penitent peace that will be a Land of Beginning Again, where with chastened hearts we may build a new home for Thy children after the pattern of Thy purpose and Thy law. We ask it in the dear Redeemer's name. Amen.

ATTENDANCE OF SENATORS

ALBERT B. CHANDLER, a Senator from the State of Kentucky, D. WORTH CLARK, a Senator from the State of Idaho, and ELLISON D. SMITH, a Senator from the State of South Carolina, appeared in their seats today.

THE JOURNAL

Mr. BARKLEY. I ask unanimous consent that the Journal of the proceedings of the last session of the Senate be approved without reading.

Mr. TAFT. Mr. President, reserving the right to object, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ferguson	Nye
Andrews	George	O'Daniel
Austin	Gerry	O'Mahoney
Bailey	Gillette	Overton
Ball	Green	Radcliffe
Bankhead	Guffey	Reed
Barkley	Gurney	Revercomb
Bilbo	Hatch	Reynolds
Brewster	Hawkes	Robertson
Bridges	Hayden	Russell
Brooks	Hill	Scrugham
Buck	Holman	Shipstead
Burton	Johnson, Colo.	Smith
Bushfield	Kilgore	Stewart
Butler	La Follette	Taft
Byrd	Lodge	Thomas, Idaho
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Chandler	McClellan	Truman
Chavez	McFarland	Tunnell
Clark, Idaho	McKellar	Tydings
Clark, Mo.	Maloney	Vandenberg
Connally	Maybank	Wallgren
Danaher	Mead	Wheeler
Davis	Millikin	Wherry
Downey	Moore	White
Eastland	Murdock	Willis
Ellender	Murray	Wilson

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Washington [Mr. BONE], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Massachusetts [Mr. WALSH] are necessarily absent.

The Senator from Utah [Mr. THOMAS] is detained in a Government department on business pertaining to his State.

The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

The Senator from Florida [Mr. PEPPER], the Senator from New Jersey [Mr. WALSH], and the Senator from Indiana [Mr. VAN NUYS] are detained because of slight illnesses.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from New Hampshire [Mr. TOBEY] is absent on public business.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President, I renew my request that the Journal of the proceedings of the last session of the Senate be approved without reading.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the

Journal of the proceedings of the calendar day Friday, January 21, 1944, is approved.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 21, 1944, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 184. An act to provide for the presentation of silver medals to certain members of the Peary Polar Expedition of 1908-9;

S. 653. An act for the relief of Johnny Newton Strickland;

S. 1090. An act for the relief of John Henry Miller, Jr.;

S. 1488. An act to authorize the secretary of the Interior to convey to Jose C. Romero all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest N. Mex; and

S. J. Res. 108. Joint resolution making an appropriation for contingent expenses of the Senate.

MESSAGES FROM THE PRESIDENT— APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the joint resolution (S. J. Res. 108) making an appropriation for contingent expenses of the Senate.

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State, showing all receipts and disbursements on account of refunds, allowances, and annuities for the fiscal year ended June 30, 1943, in connection with the Foreign Service retirement and disability system as required by section 26 (a) of an act for the grading and classification of clerks in the Foreign Service of the United States of America,

and providing compensation therefor, approved February 23, 1931, as amended.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 24, 1944.

[Enclosure: Report concerning retirement and disability fund, Foreign Service.]

PROHIBITION OF LIQUOR SALES AROUND
MILITARY CAMPS—ADVERTISEMENT OF
ALCOHOLIC BEVERAGES—PETITIONS

Mr. BURTON. Mr. President, I present for appropriate reference petitions of sundry citizens of Springfield and New Carlisle, Ohio, praying for the enactment of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States; Senate bill 569, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes, and Senate bill 682, to prohibit the paid advertising of alcoholic beverages by radio in certain circumstances, and for other purposes.

The VICE PRESIDENT. The petitions presented by the Senator from Ohio will be referred to the Committee on Military Affairs.

FEDERAL AID FOR EDUCATION—LETTER
FROM SUPERINTENDENT OF SCHOOLS
AND RESOLUTION OF BOARD OF EDU-
CATION, SIMSBURY, CONN.

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be inserted in the body of the RECORD and appropriately referred a letter which I have received from Mr. Henry James, superintendent of schools, Simsbury, Conn., and a resolution adopted by the Simsbury Board of Education disapproving the bill (S. 637) to authorize the appropriation of funds to assist the States and Territories in more adequately financing their systems of public education during emergency, and in reducing the inequalities of educational opportunities through public elementary and secondary schools.

There being no objection, the letter and resolution were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

SIMSBURY PUBLIC SCHOOLS,

Simsbury, Conn., January 20, 1944.

Senator FRANCIS T. MALONEY,

Washington, D. C.

DEAR SENATOR MALONEY: I am enclosing copy of a resolution passed by the Simsbury Board of Education at its last regular meeting supporting the stand you took in regard to Senate bill 637.

We are of the opinion that you will probably be swamped with petitions and letters from various educational groups in the State urging you to vote in favor of the passage of this bill.

Regardless of the action of the Connecticut Association of School Superintendents and the Connecticut State Teachers Association there are still rugged individualists, perhaps in a minority, who believe that we should pay our own way from local funds and not expect a hand-out from the Federal Government.

Respectfully yours,

HENRY JAMES,
Superintendent of Schools.

Whereas the Simsbury Board of Education does not approve of Senate bill 637, Federal subsidy of education, because it believes—

1. That education is not a Federal function.
2. That Federal aid for education will destroy local self-government in education and eventually result in Federal control: Be it

Resolved, That the action of Senator JOHN A. DANAHY and Senator FRANCIS T. MALONEY in voting against this bill be endorsed, and that they be encouraged further to oppose any attempt to have this bill passed at this session of Congress; and be it further

Resolved, That a copy of this resolution be sent to each respective Senator from Connecticut and one copy spread upon the minutes of the meeting of the Simsbury Board of Education.

ORGANIZATION OF THE CONGRESS—EDI-
TORIAL FROM WASHINGTON POST

Mr. MALONEY. Mr. President, I also ask unanimous consent that there may be inserted in the body of the RECORD, and appropriately referred, an editorial from the Washington Post of yesterday, Sunday, January 23, 1944, entitled "Study of Congress."

I present this article in connection with Senate Concurrent Resolution 23, which I submitted on November 9, 1943, and which was referred to the Senate Committee on Rules.

There being no objection, the editorial was referred to the Committee on Rules and ordered to be printed in the RECORD, as follows:

STUDY OF CONGRESS

Congress has reacted very slowly to the efforts to modernize its machinery and reorient it in our present system of big government. All the outstanding reforms suggested by Members and critics of Congress are yet to be accomplished. Yet the American Political Science Association's Committee on Congress believes that changes are on the way. In its third progress report the committee points out that modernization of Congress is now a topic of widespread discussion. There is a growing awareness that Congress will have to improve its methods of operation if it is to remain a great democratic legislature in the complicated post-war era. "Its ability to play its role successfully," as the committee points out, "will depend upon its willingness to appraise and modify not merely its internal machinery, methods, and customs, but the whole question of its place in our scheme of government, including its relations with the Executive, on the one hand, and with the people, on the other."

The committee visualizes Congress declining in public esteem and leadership if it attempts to carry its colossal burden of work without modernizing its machinery. That could mean only further shifting of responsibility and power to the President. Even if Congress goes half way with the reformers, it will have a difficult time arresting the decline of its powers. Mr. George B. Galloway and his fellow explorers in the wilderness of congressional custom, tradition, seniority, and habit do not want to stop at the half-way mark. They are urging Congress to reappraise the whole problem of a representative legislature "in an era of wide and expanding Federal powers."

What the experts seem to be saying is that Congress will have to modernize its own machinery or surrender more of its policy-making functions to the bureaucrats. Now, that is precisely what Congress wishes to avoid. So it should have the greatest possible interest in strengthening its own ability to act in the public interest. A few alert Members are working persistently toward this end, among them Representatives DIRK-

SEN, KEFAUVER, and MONRONEY, Senators LA FOLLETTE, MALONEY, and others. Some of them have proposed admirable specific reforms, such as a question period in the House for the heads of executive departments and the development of congressional research staffs. But by all odds the most hopeful measure on this subject is the Maloney-Monroney resolution to create a joint committee on ways and means of improving the organization and effectiveness of Congress.

In fairness to itself, we believe, Congress should hasten to get this study under way. The country cannot be saved from the extremes of bureaucracy merely by hampering the President. Nor can it substitute positive and constructive policies for the present planless muddling on the domestic front unless Congress itself is organized to function as a modern, responsible policy-making body. We think it is time for Congress to take a long and critical look at itself, and the best possible beginning would be the designation of a handful of its most alert and forward-looking Members to launch such a study.

CONSUMER FOOD SUBSIDIES—RESOLU-
TION BY BELLVIEW GRANGE NO. 1655,
FREDONIA, KANS.

Mr. CAPPER. Mr. President, I have just received copy of a resolution, adopted by Bellview Grange No. 1655, Patrons of Husbandry, Fredonia, Kans., which I believe is of interest in connection with the legislation to extend the life of the Commodity Credit Corporation. I read the resolution, which was formally approved January 12, 1944:

Resolved, That Bellview Grange goes on record as being opposed to subsidies and special crop parity payments for agriculture, but rather is in favor of fair prices which will guarantee cost of production and a fair profit for all farm commodities.

The resolution is certified by W. L. Fields, master, and Mrs. Marie Myers, secretary, of Bellview Grange.

I do not intend at this time to enter into a discussion of the consumer food subsidies; but I should like to say that I consider the consumer food subsidy program a most dangerous one for the Government to adopt.

In the first place, subsidies lay the groundwork for more inflation; they are not a brake against inflation at all. The reason is simple, and easily understood. Price inflation is caused by an increase in spending power going into a market where there is no corresponding increase in the supply of goods, or where there is a lesser supply of goods. The consumer food subsidy increases purchasing power; it does not increase production of commodities.

In the second place, it is thoroughly unsound to educate consumers to expect the Government to help pay their grocery bills, especially at a time when the national income is the highest on record; when wages and industrial incomes are the highest on record; when the percentage of the consumer's dollar spent for food—21 cents on the dollar—is the lowest in recorded history of this country. If it is necessary for the Government to subsidize the grocery bill under these conditions, what will be the situation when the national income drops, when there is unemployment? Can any administration drop the food subsidies, once they are firmly established?

In the third place, it is unfair to the generation of men and women in the armed services to load on them the cost of food consumed by war workers at home when the war workers are getting the highest salaries and wages, and net incomes they ever have received. The idea of drafting men to fight for their country, and then creating a situation whereby when they come back to civil life they will have to help pay the grocery bills of civilian workers—plus interest—is thoroughly repugnant to me.

In the fourth place, I hate to see this country turned into a Nation of Treasury subsidy addicts. Subsidies are a habit-forming economic drug, in my judgment.

Mr. President, I request that the resolution be appropriately referred.

The VICE PRESIDENT. The resolution presented by the Senator from Kansas will be referred to the Committee on Banking and Currency.

COMPLAINTS OF FARMERS—LETTER FROM HENRY FIELD

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred, a letter I have just received from Henry Field, of Shenandoah, Iowa, where he operates radio station KFNF and several other concerns.

Mr. Field is in as close touch with the farmers of the Corn Belt as anyone I know. He writes me what they are telling him, and I believe it is worth the while of every Senator to read his interesting and informative letter.

There being no objection, the letter was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

SHENANDOAH, IOWA, January 18, 1944.

Senator ARTHUR CAPPER,

Senate Office Building, Washington, D. C.

FRIEND CAPPER: At my desk here in the seedhouse I meet literally hundreds of farm men and women every day, and lots of them sit down at my desk and tell their troubles. I seem to be a very popular "wailing wall" for the farm folks.

I think it would interest you to know just what their particular troubles are at this time. I know that unasked advice is worth just about what it costs, which is nothing at all, but I am going to take a chance on it and stick my neck out by offering a little free advice.

They seem to have two outstanding troubles just now. I don't know whether you would call them particularly troubles, but anyway things they are inclined to do a lot of grumbling about, and things that they wish you, or some other smart man, would fix up.

First and foremost is the strike situation. They are intensely bitter about strikes. I don't think I have ever seen them as bitter about anything as they are about industrial strikes right now. They have been working long hours in all kinds of weather, often as much as 14 or 16 hours a day, and that includes everybody on the place from 10-year-olds to 80-year-olds with no chance to get help from the outside, or if they do get help it's a pretty poor class of help, something that the industrial centers won't have at any price. They get no 40-hour week, nor any time-and-a-half overtime, nor double time for Sunday, and then to hear about these strikes in the industrial centers, it makes them see red, or some other dangerous color, and they are going to go all out for anybody who will show some signs of

cracking down on that situation and will have the nerve to go ahead with it.

Their other main trouble is this terribly complicated income-tax form, which they have just received within the last few days. I don't see how they are ever going to get it filled out correctly. They are perfectly willing to pay an income tax, and they would do it cheerfully if there was some more simple and clear way to figure it out. To try and figure out one of these present tax forms is enough to drive a man crazy, and it's going to be a very real and increasing source of irritation and resentment. They are going to blame it mostly on Congress, too. I realize, of course, that the Treasury Department and a lot of other people are mixed up in it, but they blame it mostly on the Congress, and it's you fellows who are going to catch the seven kinds of hell they are going to give you about it. There are several other sore spots, but these two are the real urgent ones right now.

The egg price situation and the hog situation are getting worse all the time, and are liable to move up along with these two before the next 2 months are over, but that's another story.

Now, I don't suppose that anything can be done about these troubles, but I just thought I would tell you about them.

Yours truly,

HENRY FIELD.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. BREWSTER introduced Senate bill 1662, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. McCARRAN:

S. 1663. A bill to amend the Civil Service Retirement Act of May 29, 1930, with respect to the credit to be allowed for military or naval service performed after September 16, 1940, and prior to the end of 6 months after the termination of hostilities in the present war; to the Committee on Civil Service.

By Mr. DOWNEY:

S. J. Res. 111 (by request). Joint resolution to authorize the equitable adjustment of the wages and salaries of employees of the United States; to the Committee on Civil Service.

DEFERMENT OF REGISTRANTS ENGAGED IN TIMBER OR PULPWOOD LOGGING OPERATIONS

Mr. BREWSTER. Mr. President, I introduce for appropriate reference a bill to amend the Selective Training and Service Act of 1940, as amended, to defer registrants engaged in timber or pulpwood logging operations, and I ask unanimous consent that a brief statement relating to the bill may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 1662) to amend the Selective Training and Service Act of 1940, as amended, to defer registrants engaged in timber or pulpwood logging operations was read twice by its title and referred to the Committee on Military Affairs.

The statement presented by Mr. BREWSTER in connection with the bill is as follows:

CRITICAL SHORTAGE OF PULP AND PAPER PRODUCTS IMMINENT

From available information there is every indication that before the end of 1944 the

country will be faced with a paper and paperboard shortage which will be catastrophic. Sixty percent of the paper and paperboard manufactured in this country has wood pulp as its principal fibrous constituent. Wood pulp is manufactured from pulpwood, and the principal difficulty confronting the pulpwood consuming industries is the shortage of manpower in the woods which has resulted from the induction of trained woodsmen into the armed forces and the diversion of woods workers into various important industries, such as shipbuilding, airplane construction, and other similar industries.

During the year 1943 pulpwood inventories in the hands of consuming mills were decreased by approximately 25 percent and are now at a dangerously low level. Pulpwood received by the mills during 1943 was some 2,400,000 cords or 15 percent below the quantity received in 1942. More important, however, is the fact that according to reliable information available to me the pulpwood cut during 1943, which will comprise the bulk of the wood delivered during 1944, was some 30 percent below the quantity cut in 1942.

The situation varies between regions but is serious in all. In the Pacific Northwest several of the large market pulp mills which produce over 50 percent of the wood pulp available to the United States market have been down for many months. In the southern region, which is the center of the great kraft paper and board industry, many mills were forced to operate during the summer of 1943 at low operating ratios due to the shortage of wood, and in the Northeast and Lake States regions, where current wood operations are respectively 32 percent and 25 percent below operations in 1942, many mills are operating only part time. All of this adds up to a greatly reduced production of wood pulp at a time when Government, military, and essential civilian requirements for paper are at or near the highest level in the history of this country.

In an effort to conserve the use of wood pulp and pulpwood, practically all users of paper are subject to use limitation orders issued by the War Production Board. Newspapers, magazines, and other papers have been cut back in their use approximately 25 percent and this, if continued, constitutes a serious threat to our American free press. Over-the-counter items such as toilet tissues, paper towels, napkins, and similar sanitary grades of paper are in an increasingly tight situation. The consumption of wrapping paper, bags, and other mechanical papers has already been drastically reduced and further reductions are in prospect. A conservation program directed at Government, military, and industrial and household consumption of paper has been launched on a Nation-wide scale, but the saving in wood pulp accomplished through this measure will offer no adequate solution to this problem.

Every effort has been made to alleviate the manpower shortage in the woods by the use of prisoners of war, by the utilization of farmer-operated pulpwood and by other expedients. These measures have been only moderately successful, and it appears to be essential that Congress enact legislation and that the War Manpower Commission and the Selective Service System promptly issue appropriate regulations which will result in returning manpower to the woods.

CONTINUATION OF COMMODITY CREDIT CORPORATION—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, which was ordered to lie on the table and to be printed.

WARTIME METHOD OF VOTING BY MEMBERS OF THE ARMED FORCES—AMENDMENTS

Mr. OVERTON submitted three amendments, and Mr. EASTLAND (for himself, Mr. McKELLAR, Mr. McCLELLAN, Mr. BANKHEAD, Mr. RUSSELL, Mr. OVERTON, Mr. BYRD, and Mr. BAILEY) submitted an amendment intended to be proposed to the bill (S. 1612) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes, which were severally ordered to lie on the table and to be printed.

CONTINUATION OF AUTHORITY FOR GENERAL SURVEY OF INDIAN CONDITIONS

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 243), which was referred to the Committee on Indian Affairs:

Resolved, That Senate Resolution 79, agreed to February 2, 1928, and continued by subsequent resolutions, authorizing the Committee on Indian Affairs, or any subcommittee thereof, to make a general survey of the condition of the Indians in the United States, hereby is continued in full force and effect during the Seventy-ninth Congress.

CONTINUATION OF SENATE SPECIAL SILVER COMMITTEE—GOLD AND SILVER PRODUCTION

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 244), which was referred to the Committee on Banking and Currency:

Resolved, That Senate Resolution 187, agreed to August 16, 1935, as amended by motion on January 16, 1939, increasing the membership of the committee to nine Senators instead of five, and as further amended by Senate Resolution 261, agreed to June 29, 1942, authorizing a special committee of nine Senators, to confer with the Secretary of the Treasury relative to the administration, and the economic and commercial effect in the United States and abroad, of the Silver Purchase Act of 1934 (48 Stat. 1178), and to make a full and complete investigation with respect to the production, or the lack of production, of gold and silver in the United States and its Territories, etc., hereby is continued in full force and effect during the Seventy-ninth Congress.

"BOONDOGLING, CHAPTER 2"—EDITORIAL FROM THE OMAHA WORLD-HERALD

Mr. WHERRY. Mr. President, I have in my hand an editorial entitled "Boondoggling, Chapter 2," from the Omaha (Nebr.) World-Herald of January 21, 1944. The basis of the editorial was, of course, the speech of the senior Senator from Nebraska [Mr. BUTLER], which he delivered in the Senate Chamber a few days ago. I should like to have the editorial printed in the body of the RECORD.

BOONDOGLING, CHAPTER 2

To substantiate his earlier charges of boondoggling by the United States in South and Central America, Senator BUTLER has presented to the Senate an auditor's report by James A. Councilor & Co., certified public accountants of Washington, D. C.

The report does not pretend to be complete because, as the Senator says, "the sums of public money for which no public accounting is made are too vast. The technique of con-

cealment is too well developed." But it does show that the expenditures, obligations, commitments, encumbrances, authorizations, loans, and extensions of credit by the United States for the years 1942, 1943, and 1944 have now reached a total of at least \$5,733,933,534—without including the Canal Zone, Puerto Rico, the Virgin Islands, or any other Territory of the United States.

The total is mighty close to the round sum of \$6,000,000,000 first mentioned by the Senator, which administration spokesmen branded as 95 percent inaccurate.

No one would be so foolish as to intimate that all of the six billions, more or less, was wasted. Considerable sums were spent for military installations and other legitimate war purpose. But some of the items listed fill the reader with wonder. For example, these:

The \$778,982,997 advanced by the Export-Import Bank for various items, including financing handicraft projects and hat-manufacturing aid.

The \$75,000 put up for an experimental station in Ecuador, including recreational facilities, tennis courts, and swimming pool.

The \$28,200 for the Mexican fishery mission.

The \$12,500 to record folk music in other American republics.

The \$10,900 to survey collections of Latin-American music and preparation of bibliographies.

The \$29,000 for a guide to official publications of Latin America.

The \$39,993 for preparation of a handbook of the South American Indians.

Not to mention the \$100,000 for a convention for the promotion of inter-American cultural relations.

And ever so many more.

A good-neighbor policy? Maybe it is. But perhaps ordinary, hard-working citizens may be pardoned if they ask if this is the sort of thing President Roosevelt has in mind when he advocates a New Deal for the whole, wide-world.

OUR DIPLOMATIC ARM—EDITORIAL FROM WASHINGTON POST

Mr. GILLETTE. Mr. President, under date of January 22, there appeared in the Washington Post a very interesting editorial entitled "Our Diplomatic Arm." While I am not in agreement with some of the criticism contained in the editorial and directed toward the reorganization of the State Department, yet there are some challenging and thought-provoking statements in the editorial, and I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR DIPLOMATIC ARMS

Questions which are left in the wake of the Pravda article will not down. They have to do as much with American as with Russian policy. After the Moscow and Tehran Conferences the American public were given the impression that no misunderstandings on war or peace policy were left among the Allies. On this score the returning conferees filled the country with exulting confidence. The Allies "agreed on every point concerned with the launching of a gigantic attack on Germany" and with the treatment of Germany. They likewise agreed on the basic principles governing the peace. Without a doubt, Pravda has overclouded both claims. With a jolt the public now realizes that the basic principle of any relations has been endangered, namely, faith. At any rate, within less than a month of the conclusion of the Tehran parley the relations between Britain and America on the

one hand and the Soviet Union on the other have become confused.

What seems to have happened at Tehran is that Britain and America listened to Marshal Stalin's reiteration that the carving of his western frontier was not susceptible of discussion. The settlement was to be bilateral between Russia and the country concerned. We were left with the choice either of accepting or rejecting this stand. Evidently we did neither, but heard out the man in the Kremlin, who doubtless thought the issue had been disposed of. The issue, however, came up almost before the conferees had gotten home. And Moscow saw the Polish Government in exile talking it over with the British. It found itself put on the spot by the possibility of a public proffer of good offices from both Britain and America. We would venture the guess that Stalin imagined that at Tehran he had excluded such third-party intermeddling. The guess is also justifiable that we came back from Tehran with the same hope with which we went there, instead of translating it into a policy, say, local settlement.

Thus the confusion is all around. The moral is that we must iron out a policy on the specific problems in our foreign affairs as they are now envisaged. Otherwise the existing confusion will be dangerously compounded. We could ourselves think up Mr. Hull's 30 or 40 problems which he, but nobody else, has remitted for post-war consideration. For instance, the attitude of the Soviet Union over its western frontiers is likely to be repeated over its eastern frontiers. We must at least be prepared for that contingency. If we are any judge, Manchuria may become a problem child among the big powers, as Poland now is. From the standpoint of individual security Moscow has just as much reason to roll back the far eastern map as to roll back the eastern European map. It is all very well to entertain a hope that maybe Russia will consider future problems in terms of collective security. We must be prepared to consider what shall be done if she doesn't, and to argue our case into a common policy when the time comes for discussion. In other words, an American policy must be developed on the whole subject of the Russian frontier, among other subjects.

This brings us to the problem of the reorganization of our diplomatic machinery to cope with our constipation in respect to policy. A new world is being created de novo. One of the chief artificers is the United States. And this titanic task requires new staff work—just as the military effort required new staff work. It was fantastic to think that we could win the war with our peacetime General Staff. What has happened in this respect is a vast recruitment of expert personnel in the armed services and in the Office of Strategic Services topped by the Joint Chiefs of Staff Committee. That reorganization is helping us win the war. It was imaginatively and audaciously conceived. And Congress backed it with ample funds. The same metamorphosis on our diplomatic front is required in connection with the problem of winning the peace. What happened last week end at the State Department, however, was reorganization by way of phony finagling. The furniture inside was shifted around, and post-war advisory committees were set up in public though they had already been established in private.

The sequence of all good staff work, as we have found in military matters, is intelligence planning operations. Intelligence is an internal function. But there is no sign in the present plan that the State Department has gone outside its present ranks for the recruitment of experts, as the military have done. Planning may or may not be the function of the new advisory committees. We are in some doubt about this. The

I am very pleased to announce what probably has been noted by most Members of the Senate in the press reports of yesterday and today, that late Saturday the President, in almost exact compliance with the request contained in the provisions of the resolution, created a board composed of diplomatic, economic, and military experts, and in doing so used almost the same language as that contained in the resolution.

In view of the fact that the President has taken such action, Mr. President, there is little reason or point, as I see it, in pushing the consideration of the resolution. While I have not talked to the cosponsor of the resolution, I shall at this time, on my own responsibility, move that the resolution be stricken from the calendar.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Iowa.

The motion was agreed to.

CALL OF THE ROLL

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Murray
Andrews	Gillette	Nye
Bailey	Green	O'Daniel
Bankhead	Guffey	O'Mahoney
Barkley	Hatch	Overton
Bilbo	Hawkes	Radcliffe
Brewster	Hayden	Reed
Bridges	Hill	Revercomb
Brooks	Holman	Reynolds
Buck	Johnson, Colo.	Robertson
Burton	Kilgore	Russell
Bushfield	La Follette	Shipstead
Butler	Lodge	Stewart
Capper	Lucas	Taft
Caraway	McCarran	Thomas, Idaho
Chandler	McClellan	Thomas, Okla.
Chavez	McFarland	Truman
Clark, Mo.	McKellar	Tunnell
Connally	Maloney	Wallgren
Danaher	Maybank	Wheeler
Davis	Mead	Wherry
Downey	Millikin	White
Ellender	Moore	Willis
Ferguson	Murdock	

The VICE PRESIDENT. Seventy-one Senators have answered to their names. A quorum is present.

PRINTING OF MATTER IN THE RECORD

Mr. DANAHER. Mr. President—

Mr. BARKLEY. Mr. President, I wish to state that I shall object to the consumption of time by putting anything more in the RECORD until we have reached a later point in our proceedings. I make that statement because I wish to be impartial to all Senators who may make such requests.

Mr. DANAHER. Mr. President, in yesterday's New York Times, on the editorial page, there appeared a letter dated Washington, January 19, 1944, written by Prof. Herbert Wright, who is professor of international law at Catholic University. The letter entitled "Things To Be Avoided" deals with a most important subject, and is so factual, informational, and meritorious, that I ask unanimous consent that it be printed in full in the Appendix of the RECORD.

Mr. BARKLEY. Mr. President, for the present I am compelled to object. Later I shall not object.

CONTINUATION OF CALL OF THE CALENDAR—BILLS AND RESOLUTIONS PASSED OVER

The VICE PRESIDENT. The clerk will proceed to state the next business on the calendar.

The bill (H. R. 2924) to give effect to the provisional fur seal agreement of 1942 between the United States of America, and Canada, to protect the fur seals of the Pribilof Islands and for other purposes was announced as next in order.

Mr. BARKLEY. Over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 198) to investigate war contracts, the termination of war contracts, and related problems, was announced as next in order.

Mr. BARKLEY. Over.

The VICE PRESIDENT. The resolution will be passed over.

The resolution (S. Res. 136) increasing the limit of expenditures for the holding of hearings by the Committee on the Judiciary in respect to judicial nominations was announced as next in order.

Mr. BARKLEY. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (H. R. 3408) to amend chapter 7 of the Criminal Code was announced as next in order.

Mr. BARKLEY. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1227) to amend section 1 of the act providing punishment for killing or assaulting of Federal officers was announced as next in order.

Mr. BARKLEY. Over.

The VICE PRESIDENT. The bill will be passed over.

CONTINUATION OF COMMODITY CREDIT CORPORATION

The bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States to revise the basis of annual appraisal of its assets and for other purposes was announced as next in order.

Mr. BARKLEY. Let the bill go over.

Mr. TAFT. Mr. President, I move that the Senate proceed to the consideration of House bill 3477, Calendar 641, notwithstanding the objection.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio [Mr. TAFT].

Mr. TAFT. I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

Mr. LUCAS. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, we have just had a quorum call. Let us vote on the motion.

Mr. LUCAS. Mr. President, I withdraw the request.

Mr. BUSHFIELD. Mr. President, may we have a statement of the question on which the vote is about to be taken?

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio [Mr. TAFT] that the Senate proceed to the consideration of House bill 3477, Calendar 641, a bill to continue the Commodity Credit Corporation as an agency of the United States, to

revise the basis of annual appraisal of its assets, and for other purposes. The motion is to proceed to the consideration of the bill notwithstanding the objection of the Senator from Kentucky [Mr. BARKLEY].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BRIDGES. I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the junior Senator from New Hampshire [Mr. TOBEY], who if present would vote, as I shall vote. I am therefore free to vote, and vote "yea."

Mr. McCARRAN. I announce that my colleague, the junior Senator from Nevada [Mr. SCRUGHAM] is absent because of illness. If present he would vote "nay."

Mr. BANKHEAD. I have a general pair with the Senator from Oregon [Mr. McNARY]. I transfer that pair to the Senator from Virginia [Mr. GLASS]. I am not advised how either Senator would vote if present. I vote "yea."

Mr. REED (after having voted in the affirmative). I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the junior Senator from South Dakota [Mr. GURNEY] and allow my vote to stand. I am advised that the Senator from South Dakota would vote "yea," if present.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GERRY], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Massachusetts [Mr. WALSH] are necessarily absent. I am advised that if present and voting, the Senator from New York [Mr. WAGNER], the Senator from Maryland [Mr. TYDINGS], and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

The Senator from Idaho [Mr. CLARK] and the Senator from Utah [Mr. THOMAS] are detained in Government departments on business pertaining to their respective States. I am advised that if present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

The Senator from Florida [Mr. PEPPER], the Senator from New Jersey [Mr. WALSH], and the Senator from Indiana [Mr. VAN NUYS] are detained because of slight illnesses. I am advised that if present and voting, the Senator from Florida, the Senator from New Jersey, and the Senator from Indiana would vote "nay."

Mr. WHITE. The Senator from Vermont [Mr. AUSTIN] is absent because of illness.

The Senator from North Dakota [Mr. LANGER] is absent from the city on official business.

The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from New Hampshire [Mr. TOBEY] is absent on public business.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The result was announced—yeas 33, nays 38, as follows:

YEAS—33

Aiken	Davis	Reed
Bankhead	Ferguson	Revercomb
Brewster	Hawkes	Robertson
Bridges	Holman	Russell
Brooks	Lodge	Shipstead
Buck	McClellan	Taft
Burton	Millikin	Thomas, Idaho
Bushfield	Moore	Wheeler
Butler	Nye	Wherry
Capper	O'Daniel	White
Danaher	Overton	Willis

NAYS—38

Andrews	Green	Maybank
Bailey	Guffey	Mead
Barkley	Hatch	Murdock
Bilbo	Hayden	Murray
Caraway	Hill	O'Mahoney
Chandler	Johnson, Colo.	Radcliffe
Chavez	Kilgore	Reynolds
Clark, Mo.	La Follette	Stewart
Connally	Lucas	Thomas, Okla.
Downey	McCarran	Truman
Ellender	McFarland	Tunnell
George	McKellar	Wallgren
Gillette	Maloney	

NOT VOTING—25

Austin	Johnson, Calif.	Vandenberg
Ball	Langer	Van Nuys
Bone	McNary	Wagner
Byrd	Pepper	Walsh, Mass.
Clark, Idaho	Scruggam	Walsh, N. J.
Eastland	Smith	Wiley
Gerry	Thomas, Utah	Wilson
Glass	Tobey	
Gurney	Tydings	

So, Mr. TAFT's motion was rejected.

CONTINUATION OF CALL OF THE CALENDAR—BILLS PASSED OVER

The VICE PRESIDENT. The clerk will proceed to state the next business on the calendar.

The bill (S. 1612) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes, was announced as next in order.

Mr. BARKLEY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1633) to amend the act entitled "An act to provide for the training of nurses for the armed forces," was announced as next in order.

Mr. BARKLEY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

That completes the calendar.

WARTIME METHOD OF VOTING BY MEMBERS OF THE ARMED FORCES

Mr. BARKLEY. Mr. President, I move that the Senate proceed to consider Calendar No. 642, Senate bill 1612.

The VICE PRESIDENT. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1612) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes.

Mr. TAFT. Mr. President—

The VICE PRESIDENT. The motion is not debatable.

Mr. TAFT. I merely wish to give notice that after the hour of 2 o'clock I

will again move to take up the Commodity Credit Corporation bill.

The VICE PRESIDENT. The pending motion is not debatable. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 1612) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes, which had been reported from the Committee on Privileges and Elections with an amendment to strike out all after the enacting clause and to insert new matter.

The VICE PRESIDENT. The amendment reported by the Committee on Privileges and Elections will be stated.

The CHIEF CLERK. On page 26, after line 2, it is proposed to insert:

That Public Law No. 712, Seventy-seventh Congress, be amended by inserting after the enacting clause the words "Title I" and by striking out sections 3 to 15, inclusive, and inserting in lieu thereof the following:

"UNITED STATES WAR BALLOT COMMISSION

"SEC. 3. (a) There is established a United States War Ballot Commission (hereinafter referred to as the Commission), which shall be composed of four Commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate, to serve a term which shall not exceed the duration of the war and 6 months thereafter. Two Commissioners shall be members of the political party casting the largest popular vote and two Commissioners shall be members of the political party casting the second largest popular vote for Presidential electors in the most recent Presidential election. Such Commissioners shall be appointed from lists of not less than six nominees submitted by the national committees of the respective political parties. Vacancies in the Commission shall be filled in the same manner as the original appointments, that is, from lists of not less than three nominees for each such vacancy submitted by the national committees of the respective political parties. No Commissioner shall hold or be a candidate for any elective public office. The Commission shall elect from among its members a Chairman and Vice Chairman. Each Commissioner shall receive as compensation \$25 for each day in which he is actually engaged in performing the duties of his office and shall also be reimbursed for any necessary expenses incurred in the performance of his duties. The vote of a majority of all the Commissioners shall be necessary to a decision by the Commission on any matter.

"(b) The Commission is authorized to appoint, without regard to the Civil Service Act, rules, and regulations, an Executive Director and such other officers, employees, or agents as may be necessary for the performance of its duties under this act. The Commission may receive assistance from other Federal departments and agencies in carrying out the purposes of this act.

"(c) It shall be the duty of the Commission in performing its functions under this act, to consult with representatives of the War and Navy Departments and the War Shipping Administration and with State officials. As soon as practicable after any election to which the provisions of this title apply, the Commission shall report to the Congress on the administration of this act, including the number of ballots received by the Commission and transmitted to the secretaries of state of the several States, and the reports received by the Commission from such secretaries of state. Any Commission-

er disagreeing as to the contents of the report may set forth his separate views."

Mr. LUCAS. Mr. President, I rise for the purpose solely of discussing the amendment as read by the clerk, and to advise the Senate that the language of the amendment is word for word the same as the language of the bill which the Senate passed several weeks ago. Members of the Senate will recall that we debated for 2 days the type, kind, and form of a ballot commission which would be set up to prepare and distribute the uniform ballot to those fighting in our armed forces.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Are we now considering the entire bill or the amendment?

The VICE PRESIDENT. The committee amendment consists of one amendment in the nature of a substitute.

Mr. TAFT. The clerk did not read all of the amendment. He read only through section 3.

Mr. LUCAS. The clerk read every word of the section.

Mr. TAFT. I thought he read only through section 3.

Mr. LUCAS. He did read through section 3 down to section 4. The language read comprises an amendment to Public Law No. 712, which is the present basic law on the subject.

Mr. TAFT. I wish to know if we are considering the whole bill as one amendment or considering it section by section?

The VICE PRESIDENT. The clerk will continue the reading of the committee amendment.

The Chief Clerk resumed reading the committee amendment and read as follows:

SEC. 4. (a) The foregoing provisions of this act—

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Under the rules do I not have the right, at the end of the reading of a section of the bill, or at any other time at which I can obtain recognition from the Chair, to make an explanation?

The VICE PRESIDENT. The amendment in the nature of a substitute is treated as one amendment to the bill.

Mr. BARKLEY. It is frequently treated as the text and is subject to amendment section by section as if it were the original text.

Mr. TAFT. I have no objection to the Senator doing as he suggests. I was only making an inquiry. I did not understand whether it was all to be read as one amendment or whether the Senator desired to have a section read and then comment upon it and then have another section read and comment upon it before any action was taken on it. If that is his desire, it is perfectly agreeable to me.

Mr. LUCAS. My only thought was that perhaps if I commented briefly on the section while Senators were on the

H. R. 3477

IN THE SENATE OF THE UNITED STATES

JANUARY 24, 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz:

- 1 . On page 10, line 17, after the word "to" insert the fol-
- 2 lowing: "sugar beets and sugarcane and".

1-24-44—E

78TH CONGRESS
2d Session

H. R. 3477

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

JANUARY 24, 1944

Ordered to lie on the table and to be printed

Jan.
26.



H. R. 3477

IN THE SENATE OF THE UNITED STATES

JANUARY 26 (legislative day, JANUARY 24), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz:

- 1 On page 10, line 17, after the word "to" insert the
2 following: "domestic wool, sugar beets and sugarcane and".

AMENDMENT

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

JANUARY 26 (legislative day, JANUARY 24), 1944

Ordered to lie on the table and to be printed

Jan.
27.

78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

JANUARY 27 (legislative day, JANUARY 24), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. EASTLAND (for himself and Mr. McCLELLAN) to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz: On page 10, after line 23, insert the following new sections:

- 1 SEC. 2. (a) The War Food Administrator and the Price
2 Administrator are hereby authorized and directed, respec-
3 tively, to forthwith support prices and adjust maximum prices
4 on milk and the products thereof, the equivalent of 46 cents
5 per hundredweight of whole milk, above (1) all established
6 maximum prices (2) minimum prices to producers, including
7 any subsidy payments in effect prior to October 1, 1943,
8 established under the Agricultural Marketing Agreement Act

1 of 1937, as amended, or under any applicable State law, and
2 (3) all announced support prices, including any subsidy
3 payments in effect prior to October 1, 1943, on milk and the
4 products thereof, as established and announced prior to
5 October 1, 1943; except that in the case of butter, such
6 support and maximum prices shall be 6 cents per pound
7 above the announced support price therefor. In cases where
8 support prices have not been announced for the products of
9 milk, comparable prices shall be supported for such products.

10 (b) Where minimum prices to producers of milk have
11 been regulated under any agreements or orders pursuant to
12 the provisions of the Agricultural Marketing Agreement Act
13 of 1937, as amended, the minimum class prices under such
14 agreements or orders are hereby increased the equivalent of
15 46 cents per hundredweight of whole milk, and the War Food
16 Administrator is hereby directed, within the periods pre-
17 scribed in section 2 hereof, to further adjust such minimum
18 prices under, in accordance with, and as he determines is
19 necessary to carry out the provisions and effectuate the pur-
20 poses of that Act, but not below the prices which the War
21 Food Administrator is directed to support in paragraph (a)
22 hereof. This section shall terminate one year from the date
23 upon which the President by proclamation or the Congress
24 by concurrent resolution declares that hostilities in the pres-
25 ent war have terminated.

1 SEC. . (a) Within a period of one hundred and twenty
2 days from the effective date hereof, and within each six-
3 month period thereafter, maximum prices heretofore or here-
4 after established on milk and the products thereof (pursuant
5 to the Emergency Price Control Act of 1942, as amended by
6 Public Law 729, approved October 2, 1942) shall be further
7 adjusted on a regional or market basis as the case may
8 require to the extent necessary to (1) reflect changes in
9 farm labor costs (including hired workers, farm operators,
10 and members of the families of farm operators engaged in
11 work on the farm computed for all such labor on the basis
12 of wage rates for hired farm labor), feed prices (including all
13 feed fed whether purchased or home grown), and other costs
14 since January 1, 1941, (2) place the production of milk and
15 the products thereof on a competitive basis with alternative
16 opportunities which are available to producers of milk, (3)
17 correct inequities as between markets, and (4) maintain or
18 increase the production of milk and the products thereof for
19 war and civilian purposes: *Provided*, That in determining
20 the extent to which maximum prices shall be adjusted as
21 provided herein, due consideration shall be given to historical
22 and normal differentials customarily applied as between mar-
23 kets and regions: *Provided further*, That in no event shall
24 maximum prices on milk and the products thereof be estab-
25 lished below the support prices established in section 1 hereof

1 and which the War Food Administrator is directed therein
2 to support, or below minimum producer prices established in
3 any agreement or order under the Agricultural Marketing
4 Agreement Act of 1937, as amended, and adjusted as pro-
5 vided in section 1 hereof.

6 (b) In order to effectuate the purposes of paragraph
7 (a) of this section, the War Food Administrator and the
8 Price Administrator are hereby directed to hold public hear-
9 ings on a regional or market basis as the case requires. For
10 such purposes there shall be utilized the hearing procedure
11 and the personnel of the Food Distribution Administration
12 of the United States Department of Agriculture established
13 under the provisions of the Agricultural Marketing Agree-
14 ment Act of 1937, as amended, and such other personnel of
15 the Department of Agriculture and the Office of Price Ad-
16 ministration as may be required. As soon as practicable
17 after the completion of the hearing, but in any event within
18 the periods specified in paragraph (a), the War Food Ad-
19 ministrator and the Price Administrator shall make public
20 their joint findings based only on relevant substantial evi-
21 dence of record at the hearing and the Price Administrator
22 forthwith shall issue an order adjusting such maximum price
23 or prices on the basis of and in conformance with such find-
24 ings.

1 (c) Any person (within the meaning of section 302
2 (h) of the Emergency Price Control Act of 1942, as
3 amended) who is adversely affected by the order of the Price
4 Administrator may, within thirty days after the action ad-
5 justing such maximum price or prices, file a complaint with
6 the Emergency Court of Appeals specifying his objections
7 and praying that the order be enjoined or set aside in whole
8 or in part.

9 The War Food Administrator shall be made a party to
10 the proceedings and upon service of the summons and com-
11 plaint, the Price Administrator shall certify and file in the
12 court the transcript of the proceedings and the record upon
13 which the order adjusting such maximum price or prices
14 was based. The proceedings in such court shall be subject to
15 all applicable provisions of section 204 of the Emergency
16 Price Control Act of 1942, as amended; except, that wherever
17 the term "Administrator" is used therein, it shall, for the pur-
18 poses hereof, be construed to mean the War Food Admin-
19 istrator and the Price Administrator: *Provided*, That during
20 the pendency of such proceedings the Price Administrator
21 may not modify or rescind his order adjusting such maximum
22 price or prices except upon the basis of additional joint find-
23 ings on evidence adduced pursuant to the order of the court.
24 The provisions of this section shall terminate upon the

- 1 date specified in a concurrent resolution by the two Houses
- 2 of Congress declaring that further continuance is not neces-
- 3 sary in the interest of national defense and security.

AMENDMENT

Intended to be proposed by Mr. Eastland (for himself and Mr. McClellan) to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

JANUARY 27 (legislative day, JANUARY 24), 1944

Ordered to lie on the table and to be printed

78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, JANUARY 24), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TAFT to the bill (H. R. 3477)
to continue the Commodity Credit Corporation as an agency
of the United States, to revise the basis of annual appraisal
of its assets, and for other purposes, viz:

1 On page 9, strike out all of line 23 after the colon, and
2 all of lines 24 and 25, inclusive; also, on page 10, lines 1 to
3 15 to the colon in line 15, and insert: "*Provided further,*
4 That nothing herein shall apply to payments made to the
5 shippers of commodities or others to cover the increased
6 costs, resulting from the war emergency, in connection with
7 the transportation of such commodities.

8 "In order to secure the maximum necessary production
9 of agricultural commodities in 1944, the Administrator of

1 the War Food Administration shall, as soon as practicable
2 after the passage of this Act, list and announce such support
3 prices as he finds necessary pursuant to the provisions of
4 section 4 of Public Law Numbered 147, approved July 1,
5 1941, as amended. The War Food Administrator may exer-
6 cise, through the Commodity Credit Corporation, the powers
7 conferred on the Price Administrator by paragraph (e) of
8 section 2 of the Emergency Price Control Act of 1942 to
9 buy and sell agricultural commodities, and if he announces
10 the price at which he will buy such commodities for any
11 specified crop or period of time, such announcement shall be
12 deemed to establish a support price. He may from time
13 to time announce additional support prices, or increase exist-
14 ing support prices. He shall list, and announce the confirma-
15 tion and approval of, support prices already in effect for
16 1943 or 1944 production.

17 "Whenever any support price has been announced, the
18 Administrator shall maintain such price or cause such price
19 to be maintained in all producers' markets throughout the
20 United States (unless the support price is limited to par-
21 ticular marketing areas, in which case he shall maintain
22 such price in such areas) either by causing actual purchases
23 to be made by some agency of the United States Govern-
24 ment, or by contracts with processors or distributors under
25 which they obligate themselves to pay the support price,

1 or otherwise. All departments and agencies of the Govern-
2 ment shall cooperate to secure that result. No maximum
3 price heretofore or hereafter established for any commodity
4 shall be below the support price therefor so announced, or
5 below the prices specified in section 3 of Public Law Num-
6 bered 729, approved October 2, 1942. In any case in which
7 a support price for an agricultural commodity is announced
8 and maintained, and a fixed maximum price is prescribed for
9 the sale by processors and distributors of any article processed
10 from such agricultural commodity, the War Food Adminis-
11 trator may direct the Commodity Credit Corporation to pay
12 to the processor or distributor of any such article an amount
13 per unit of the processed article (without relation to the
14 profits of any particular processor or distributor) for the
15 purpose of making the margin between the producer and
16 the consumer less than it would otherwise be, by the amount
17 of the payments made per unit by the Commodity Credit
18 Corporation. The Commodity Credit Corporation may ac-
19 complish the same purpose, when it purchases any agricul-
20 tural commodity, by selling such commodity at a loss to the
21 processor to be used for the purpose of processing, without
22 affecting the general market price at producers' markets for
23 unprocessed commodity. No subsidy shall be paid on liquid
24 milk unless in any particular area a support price is an-
25 nounced and maintained to the producers of milk within

1 that area, in which case payments may be made to the
2 distributors of milk within such area under the authority
3 hereinbefore conferred, provided the margin in the price
4 of milk between the producer and the consumer is there-
5 after less than it would otherwise be, by the amount per
6 unit of the subsidy.

7 “The total payments made to processors and distributors,
8 plus all losses taken by the Commodity Credit Corporation
9 under the provisions of the preceding paragraph, shall not
10 exceed \$950,000,000.”

H. R. 3477

AMENDMENT

Intended to be proposed by Mr. Tarr to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 4 (legislative day, JANUARY 24), 1944
Ordered to lie on the table and to be printed

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz:

- 1 On page 10, line 1, strike out "October 13, 1943" and
- 2 insert in lieu thereof "January 14, 1944".

H. R. 3477

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944
Ordered to lie on the table and to be printed

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz:

- 1 On page 10, line 19, strike out the colon and insert the
- 2 following: "and wheat flour for export:".

2-8-44—C

H. R. 3477

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz:

- 1 On page 9, line 21, strike out the words "or maintain".

2-8-44—B

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944
Ordered to lie on the table and to be printed

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz:

- 1 On page 10, line 3 strike out the following words: “but
- 2 winding up and liquidating such programs shall proceed
- 3 after the date of enactment of this Act, and shall be com-
- 4 pleted within a reasonable time not later than June 30,
- 5 1944” and substitute in lieu thereof the following: “but
- 6 such programs shall be completed not later than June 30,
- 7 1944”.

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944
Ordered to lie on the table and to be printed

Mr. WHITE. The Senator is technically correct. I think I was one voice too late.

Mr. BARKLEY. One is enough.

The ACTING PRESIDENT pro tempore. The point is well taken. The clerk will resume the calling of the roll.

The legislative clerk resumed calling the roll.

Mr. ROBERTSON (when his name was called). I have a pair with my colleague the senior Senator from Wyoming [Mr. O'MAHONEY]. I am advised that if my colleague were present, he would vote "yea." If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness. I am advised that if present and voting, he would vote "yea."

The Senator from Iowa [Mr. GILLETTE], the Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business. I am advised that if present and voting, these Senators would vote "yea."

The Senator from Montana [Mr. WHEELER], who is necessarily absent, is paired with the Senator from Nevada [Mr. McCARRAN]. I am advised that if present and voting, the Senator from Montana [Mr. WHEELER] would vote "nay," and the Senator from Nevada [Mr. McCARRAN] would vote "yea."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Nevada [Mr. SCRUGHAM] and vote. I vote "yea."

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from California [Mr. JOHNSON] has a pair with the Senator from Virginia [Mr. GLASS]. If present, the Senator from California would vote "nay," and I am advised that the Senator from Virginia would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. He has a general pair with the Senator from Utah [Mr. THOMAS].

The result was announced—yeas 47, nays 38, as follows:

YEAS—47

Aiken	Guffey	Radcliffe
Andrews	Hatch	Reynolds
Austin	Hayden	Stewart
Barkley	Jackson	Thomas, Okla.
Bone	Johnson, Colo.	Thomas, Utah
Burton	Kilgore	Tobey
Chandler	La Follette	Truman
Chavez	Langer	Tunnell
Clark, Idaho	Lucas	Tydings
Clark, Mo.	McFarland	Vandenberg
Danaher	Maloney	Wagner
Davis	Maybank	Wallgren
Downey	Mead	Walsh, Mass.
Ellender	Murdock	Walsh, N. J.
Ferguson	Murray	Wiley
Green	Pepper	

NAYS—38

Bailey	Eastland	Overton
Ball	George	Reed
Bankhead	Gerry	Revercomb
Bilbo	Gurney	Russell
Brewster	Hawkes	Shipstead
Brooks	Hill	Smith
Buck	Holman	Taft
Bushfield	McClellan	Thomas, Idaho
Butler	McKellar	Wherry
Byrd	Millikin	White
Capper	Moore	Willis
Caraway	Nye	Wilson
Connally	O'Daniel	

NOT VOTING—10

Bridges	McCarran	Scrugham
Gillette	McNary	Wheeler
Glass	O'Mahoney	
Johnson, Calif.	Robertson	

So the bill S. 1612 was passed.

Mr. BARKLEY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LUCAS. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF COMMODITY CREDIT CORPORATION

Mr. BARKLEY. Mr. President, it is my purpose to move that the Senate proceed to the consideration of calendar No. 641, House bill 3477, the so-called subsidy legislation, a bill for the extension of the Commodity Credit Corporation, with the understanding that the bill will not be taken up until tomorrow, and that we will not meet until 12 o'clock tomorrow.

Mr. McKELLAR. A parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. McKELLAR. Have conferees been appointed on the bill we have just passed this afternoon?

The ACTING PRESIDENT pro tempore. They have not been.

Mr. BARKLEY. I move that the Senate proceed to consider House bill 3477, the Commodity Credit Corporation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States to revise the basis of annual appraisal of its assets and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment.

TRIBUTE TO SENATOR McCARRAN

Mr. TYDINGS. Mr. President, a few days ago the senior Senator from Nevada [Mr. McCARRAN] succeeded to the chairmanship of the Committee on the Judiciary, and thereby left vacant, for the time being, the chairmanship of the Committee on the District of Columbia. Mr. JENNINGS RANDOLPH, a Representative from West Virginia, and the chairman of the similar committee in the House of Representatives, has written a letter which I think should be inserted in the RECORD. It is short, so I shall read it at this place:

Your chairmanship of the Senate District Committee, which you have now relinquished, has been marked by a constructive leadership for the National Capital.

I would be remiss in my sincere feelings if I failed to publicly express deep appreciation for the privilege which I have had personally of cooperating with you in our attention to District problems.

I am certain the above expressions are shared by a very large majority of those with whom you have come in contact during this important work.

Sincerely yours,

JENNINGS RANDOLPH,
Chairman.

Mr. President, as the Senator from Nevada leaves the Committee on the District of Columbia, I think it ought to be noted that in the long service I have had on that committee I do not believe he has

been equaled for the attention he has given to District of Columbia matters. Although he has ably taken care of the affairs of his own State during all that time, and been constant in his attendance upon other committees and his duties as a Senator, his work on the Committee on the District of Columbia has been outstanding.

Mr. President, it is not a job for which usually the chairman receives much credit. But the Senator from Nevada has been oblivious of whether he has received credit or has not received credit. He has been patient. He has received innumerable delegations from the District of Columbia, and has held hearings on all manner of pending problems with which the District is now confronted. His courtesy, his constructive statesmanship, his patience, and his desire to promote the welfare of the National Capital, which after all belongs to all the States, I think entitle him to a word of commendation; hence I have seized this moment to bring to the attention of the public the very quiet and unobtrusive but very high caliber of service which the Senator from Nevada has rendered as Chairman of the Committee on the District of Columbia.

In yesterday's issue of the Evening Star there appeared two editorials praising the work the Senator from Nevada has done, and I ask unanimous consent that they may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. (Mr. LA FOLLETTE in the chair). Without objection, it is so ordered.

Mr. TYDINGS. Mr. President, I regret to see the Senator from Nevada leave this important work, for I have rarely seen such detachment, such application to duty, and so many constructive results to flow from any committee as have come from the committee under the able leadership of the Senator from Nevada. The people of Nevada have made a real contribution to the welfare of the Capital of the United States. They are to be congratulated in having a man of the caliber the Senator from Nevada has shown himself to possess in this important position.

The editorials ordered to be printed in the RECORD are as follows:

A POST OF RESPONSIBILITY

Not only his good record of accomplishment in local legislation but the subjects for future legislation which have claimed his major interest have made Senator McCARRAN's service as chairman of the Senate District Committee of distinct benefit to this community.

It is gratifying to learn from him that his resignation of the chairmanship will not affect his participation in the continued search for the best solution of such problems as the grant of effective franchise to citizens of Washington; improvement and expansion of hospital and public-health facilities; reorganization of the water supply and distribution systems, in which the people of Washington are the heaviest investors and the National Government the exclusively controlling chief beneficiary; the assignment of proper jurisdictional control over the "no man's land" which has been created by expansion of the Federal establishment into adjacent Maryland and Virginia, and a more equitable and dependable system of dividing National Capital expenses between the Nation and the local taxpayer.

Senator BILBO's succession to the chairmanship gives him the opportunity and incentive to carry on the work of developing the Capital in accordance with the pattern outlined by a long and for the most part distinguished list of Senators who have filled this post. Those who have worked for the best interests of Washington have contributed something to the best interests of the Nation and have enjoyed the satisfaction of having taken part in permanent and constructive accomplishment. To refer to the chairman of the Senate or House legislative committee as "mayor" of Washington is to belittle an office which in reality is the post of liaison between the National Government and the Nation's city, one which is worthy of the highest efforts of those whom the accidents of seniority, in House and Senate, place in control.

Senator BILBO will find his tasks as chairman lightened and made pleasant in proportion to his own work in behalf of sound, progressive government of Washington.

DISGRACEFUL UNIQUENESS

In his valedictory as chairman of the Senate District Committee, Senator MCCARRAN referred again to his belief that the District of Columbia was not intended by the founders to be a State. But he said, "There comes a question why eligible citizens of the United States residing in the National Capital should not have the right to cast their vote for President and Vice President."

The Senator is right. The District should not become a State. The District should remain under the legislative control of Congress. The people of the District should vote, not only for President and Vice President but for their own representatives in the exclusively controlling Congress. Can the people of the District thus vote without making the District a State? They could, with proper amendment of the Constitution to give Congress the power to extend to the people of the District these rights, limited as Congress chooses to limit them.

A District, represented in Congress and the electoral college but not possessing the powers or status of a sovereign State, would be unique. It would be something new under the sun. Is that any reason to believe that it would be improper? The District is now unique—unique in a manner that makes it a living contradiction of the very fundamentals of democratic government. Its uniqueness is a disgrace, which makes a sham of fine phrases as to our moral obligation in respect to self-determination for other peoples in other lands. The District may always remain unique, as far as the established pattern of statehood goes, but there is no reason why that uniqueness should continue to carry with it an implication which shames every principle of Americanism.

Mr. CHAVEZ. Mr. President, I agree with every word uttered by the Senator from Maryland [Mr. TYDINGS] concerning the services rendered by the Senator from Nevada [Mr. McCARRAN] as chairman of the Committee on the District of Columbia.

I wish to take this opportunity, however, to say a word for the Senator who has succeeded the Senator from Nevada as chairman of the Committee on the District of Columbia. The Senator from Maryland has spoken of Senators and Representatives who, though they may come from sections of the country far from the District of Columbia, render fine service in the Congress to the people of the District. His statement is true. The chairman of the House Committee, Representative Randolph, does not depend on the people of the District of

Columbia for his election. The Senator from Nevada, the former chairman of the Committee on the District of Columbia of the Senate, did not depend on the people of the District of Columbia for his election. Members of both bodies have unselfishly rendered fine service to the District of Columbia.

Mr. President, when the question arose as to who should be the new chairman of the Senate Committee on the District of Columbia I was irritated to hear that citizens of the District of Columbia, who do not know anything concerning the capabilities, the honesty of purpose, or the integrity of the Senator who is now the chairman of the committee, sent in petitions of protest against his appointment. Why are not such people fair to the Members of this body and to the Members of the other body who forget all about their own home difficulties, forget about even their own districts in order to give service and do their duty as members of the committees dealing with the affairs of the District of Columbia in both bodies? I hope the citizenship of the District of Columbia will give the Senator from Mississippi [Mr. BILBO], the new chairman of the committee, an opportunity to show that he can render as fine service as has ever been rendered by any other Member of this body.

REMISSION OF GOVERNMENT CLAIMS ON ACCOUNT OF OVERPAYMENTS TO PART-TIME CHARWOMEN IN BUREAU OF ENGRAVING AND PRINTING

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1447) to remit claims of the United States on account of overpayments to part-time charwomen in the Bureau of Engraving and Printing, and for other purposes, which was, on page 2, to strike out all after line 20, over to and including line 2 on page 3, and insert:

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to make refunds of any and all amounts heretofore withheld or deducted from wages paid to any of said part-time charwomen for work performed after June 30, 1943, in satisfaction or partial satisfaction of any and all claims or asserted claims of the United States in consequence of said payments of wages at said rate of 78 cents and at said overtime rate. The annual appropriation for salaries and expenses, Bureau of Engraving and Printing, 1944, is hereby made available to the extent of \$700 for the purpose of making said refunds as herein provided.

Mr. ELLENDER. I move that the Senate concur in the House amendment.

The motion was agreed to.

LOANS TRANSFERRED BY THE HOME OWNERS' LOAN CORPORATION TO PRIVATE LENDING INSTITUTIONS

Mr. MEAD. Mr. President, on Monday a resolution coming over from the previous day was laid before the Senate, but I did not press for action at the time. It is a resolution which I submitted, and it merely asks the Federal Home Owners' Loan Corporation for information to be furnished to the Senate for use by Senate committees when they consider appropriations for the agency.

Mr. WHITE. Mr. President, is the Senator asking for immediate consideration of the resolution?

Mr. MEAD. Yes.

Mr. WHITE. Has the resolution been passed upon by any committee?

Mr. MEAD. No. It is a resolution of the nature not generally referred to a committee. It merely asks information that any individual Member of the Senate could ask for and receive, but if the information is supplied to the Senate in the manner provided by the resolution it is transmitted through the Vice President and is made a matter of record.

Mr. WHITE. To what committee does the subject matter of the resolution belong?

Mr. MEAD. It could go to the Committee on Appropriations or to the Committee on Banking and Currency.

Mr. WHITE. Has the Senator spoken to any of the minority members of the Committee on Banking and Currency about the resolution?

Mr. MEAD. No; I have not spoken to anyone except the majority and minority leaders of the Senate.

The PRESIDING OFFICER. The resolution has been lying over under the rule.

Mr. BARKLEY. This is a resolution asking for information. It does not provide for legislation. It is lying over under the rule. It is not the sort of resolution that would ordinarily go to a committee. It carries no appropriation. It does not authorize anyone to do anything. It simply requests information.

Mr. WHITE. Mr. President, in view of what the majority leader has said, and in view of the statement of the Senator from New York [Mr. MEAD], I have no disposition to interpose objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 248), submitted by Mr. MEAD on February 1, 1944, was considered and agreed to, as follows:

Resolved, That the Commissioner of the Federal Home Loan Bank Administration be, and hereby is, instructed to report to the Senate by February 5, or as soon thereafter as possible, concerning the number and dollar amount of Home Owners' Loan Corporation loans which have been transferred to private lending institutions, whether these loans were increased in amount, the rates of interest charged, and in general the terms made to Home Owners' Loan Corporation borrowers when these transfers were effected; be it further

Resolved, That the Commissioner of the Federal Home Loan Bank Administration be instructed, in each case where more than 10 loans have been taken, to also report as to whether the institutions taking them received money from the Home Owners' Loan Corporation in return for defaulted mortgages; and if so, how much in each case; also if these lending institutions obtained money from the Treasury or the Home Owners' Loan Corporation for investment in their shares, securities, or deposits, and if there are still unpaid balances on these investments; also, if any of them are borrowers from the Federal Home Loan Bank System, and in what amounts; and be it further

Resolved, That the Commissioner of the Federal Home Loan Bank Administration be instructed to request from the Reconstruction Finance Corporation and include in

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 10, 1944, for actions of Wednesday, February 9, 1944)

(For staff of the Department only)

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HOUSE

1. TREASURY-POST OFFICE APPROPRIATION BILL. Continued debate on this bill, H.R. 4133 (pp. 1487-1509). Rejected amendments by Rep. Celler, N.Y., (22-50) to prohibit the use of any of these funds for the purchase of silver under the Silver Purchase Act (pp. 1489-1500) and Rep. Taber, N.Y., (67-71) to reduce the appropriation for the Bureau of Accounts by \$30,000 (pp. 1503-04). Reps. Angell Oreg., and Dworshak, Idaho, discussed the personnel-reduction proposals of the Budget Bureau and the Byrd Committee, and Rep. Dworshak stated that "the Bureau of the Budget is not cooperating with the Byrd Committee" (p. 1508).
2. COTTON. Rep. Mahon, Tex., discussed cotton's part in the war effort and inserted Administrator Jones' speech, "Cotton Goes to War," and FCA Deputy Governor Duggan's statement, "American Cotton in the Post-war World" (pp. 1511-13).

SENATE

3. COMMODITY CREDIT; SUBSIDIES. Began debate on H.R. 3477, to continue CCC as a U.S. agency, prohibit certain subsidies, etc. (pp. 1456-68, 1473-85). Rejected 26-49, Sen. Maloney's (Conn.) amendment to modify the committee amendment so as to prohibit the use of any Federal funds by any Government-owned or Government-controlled agency or corporation for subsidy payments unless the Economic Stabilization Director finds such payments necessary in order to obtain needed production or distribution of a food commodity, limit the total amount available for subsidy payments in any fiscal year to \$1,500,000,000 and provide that this limitation shall not apply to parity, soil conservation, and sugar payments (pp. 1462-68, 1473-85).

During the debate, Sen. Bankhead, Ala., suggested that in the post-war period food subsidies might be required to prevent hunger and relieve other dire needs but stated, "Let us wait until relief subsidies are needed before entering that field of large expenditures and more bureaus" (p. 1457). Sen. Maloney, Conn., discussing his proposed amendment, stated, "I think the closes we can approach to the stabilization of wages...is the adoption of the pending amendment, which will permit a continuation of subsidies and provide...pretty rigid price control" (p. 1465). Sen. Taft, Ohio, criticized the payment of subsidies, stating, that "the assumption of the right to pay subsidies is a usurpation of authority which Congress has never granted" and spoke particularly of the milk-subsidy program as a "political one" in order "to give the A.A.A. some checks to hand out, so that it may have...some of the political influence it lost after parity payments and soil-conservation payments were largely discontinued" (pp. 1479-80).

4. POST-WAR PLANNING. Sen. George, Ga., inserted Pt. 2 of the Special Committee on Post-War Economic Policy and Planning report on cancelation of war contracts (S. Rept. 539) (pp. 1449-52).
5. STANDARD-OF-LIVING. Sen. Guffey, Pa., inserted Vice President Wallace's address "What America Can Have," in which he discussed health, based ^{on} food and medical care; housing; rural electrification; improved agriculture; and "better schools, especially in rural America" (pp. 1453-54).
6. TAXATION. Sen. Tobey, N.H., urged simplification of the tax returns, commended Rep. Carleson's (Kans.) H.J.Res. 211 and H.R. 4040 on this subject, and inserted a Washington Post article (pp. 1454-56).

BILLS INTRODUCED

7. PETROLEUM. By Sen. Brewster, Maine, S. Res. 253, to authorize an investigation of petroleum resources, production, and consumption. To Commerce Committee. (p. 1470.)
8. PERSONNEL. By Rep. Lane, Mass.; H.R. 4158, to amend the civil service retirement act. To Civil Service Committee. (p. 1515.)
9. PRICE CONTROL. By Rep. Bland, Va., H.R. 4160, to amend the Price Control Act. To Banking and Currency Committee. (p. 1515.)
10. TAXATION. By Rep. Knutson, Minn., H.J.Res. 233, to provide for a simplified, and coordinated Federal tax system. To Ways and Means Committee. (p. 1515.)

ITEMS IN APPENDIX

11. SUBSIDIES. Rep. Murphy, Pa., inserted Rep. Wright's (Pa.) address favoring consumer subsidies (pp. A708-09).
Rep. Boren, Okla., inserted J.C. Jackson's remarks before the Bristow (Okla.) Round Table favoring food subsidies (pp. A710-12).
Rep. Hoffman, Mich., inserted a Saturday Evening Post editorial, "Where Is All This 'Chaos'?" criticizing the President's charge of "disunity at home" and which discussed the farmers' opposition "against the type of subsidy which would have put them in the New Deal's pocket" (pp. A719-20).
12. POST-WAR PLANNING. Rep. Robinson, Utah, inserted his article, "Looking Forward, favoring/expanded highway construction program in order to alleviate post-war employment problems (pp. A712-14).

article from this morning's Post at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX SIMPLIFICATION
(By John R. Beal)

DIRECT CONGRESSIONAL ACTION

Some 50,000,000 persons are facing the task of filling out the most complicated tax returns in history by March 15. It's safe to assume we don't need a Dr. Gallup to figure out whether these taxpayers are in favor of simplifying the job. Congress has undertaken serious consideration of it. What are the prospects?

With respect to the March 15 returns, of course, no relief is in sight. They are on 1943 income, to be checked against estimates and payments made last year. They are extra-complicated because we are still in the process of transition to pay-as-you-go. It's expected that the Bureau of Internal Revenue will do what it can to ease the burden by postponing for a month the requirement of filing an estimate of 1944 income.

There are three main divisions to the job of tax simplification. The first involves making the arithmetic easier for individuals; the second, clearing up complexities for corporations; the third, simplification of estate and gift taxes. If Congress gets down to business and doesn't become too preoccupied with politics, it can quickly accomplish much on the first portion of the task.

The new tax bill, in eliminating the earned income credit for individuals, takes a forward step. By using the same base against which to assess normal taxes and surtaxes, it permits use of a form on which most persons will have one less tax calculation to make.

For the future, Representative FRANK CARLSON, of Kansas, original legislative sponsor of the Ruml pay-as-you-go principle, has pointed the way with a bill based mainly on what the Treasury recommended last year. CARLSON's sponsorship of the administration program represents constructive tax statesmanship, and there is evidence that some reversal of sentiment has occurred since the program was rejected in connection with the new revenue bill.

CARLSON's bill embodies five features:

1. It provides one tax on personal incomes, with a single base and a single set of rates and exemptions. This means repealing the Victory tax, eliminating an estimated 9,000,000 taxpayers from the roll of those contributing to the Government during wartime. But the group which pays nothing but the Victory tax contributes only 1.76 percent of the total revenue. That loss—\$300,000,000—could be made up by reducing the exemption for married persons from \$1,200 to \$1,100 and adjusting surtax rates upward about 3 points. The question is: Are the remaining 41,000,000 taxpayers willing to pay this added cost for easier tax computations?

2. The bill eliminates the requirement of returns for those whose liability is substantially covered by withholding. The Treasury probably would oppose this provision, on the ground that returns would be needed as a check.

3. It extends to taxpayers with incomes up to \$5,000 the privilege of using the relatively simple short return, now limited to the bracket up to \$3,000.

4. It simplifies both the short and long form of returns for individuals. It is in the forms and not the law's language where complications beset the individual.

5. Finally, the bill permits taxpayers to revise their income estimates on January 15 after the close of the taxable year, thus eliminating all possibility of penalty for underestimating income.

Simplification is a matter of degree. Graduated withholding, keeping the great mass

of taxpayers substantially current in their obligations to the Government would extend the process still further and go about as far as is practical. Simplification in the highest brackets would affect relatively few individuals and might create many inequities.

Untangling corporation tax complexities is a totally different problem, and estate and gift taxes pose equal difficulties. One obvious first step on corporations would be to eliminate the capital stock and declared value excess-profits tax. Corporations can hope for little substantial relief during the existence of the separate wartime excess-profits tax.

Simplifying levies like the corporation taxes and those on capital gains probably require spade-work study by a commission of experts. But individual tax computations can be made easier now by direct congressional action.

TRIBUTE TO THE LATE WILLIAM ALLEN WHITE

Mr. CAPPER. Mr. President, I returned to Washington a few days ago from a sad mission to Kansas, where I attended the funeral of a very dear friend who also was one of the great men of his time—William Allen White, of Emporia. I feel a deeper sense of personal loss in the passing of William Allen White than I can express in words.

For more than a half century Bill White and myself were bound together in a relationship that was very dear to me. Both of us had been Kansas newspapermen. Both of us had made incursions and excursions into related fields of public endeavor and service for nearly 60 years. I first met him a few years after I was graduated from high school in Garnett, Kans., and had become a typesetter and then a reporter on the Topeka Daily Capital, a daily newspaper of which I am now the publisher.

During all these years William Allen White and I understood each other so well, and loved each other so much, that we could, and at times did, disagree strongly on matters of high public policy without in the slightest degree marring or distorting our personal relations.

He was one of the few men I have known in a fairly long lifetime whose head and heart never lost the clarity and enthusiasm, the resiliency and freshness of youth. In all the years that we were friends and associates—and at times of opposing views—I never observed in him any of the signs of "closed mindedness" that often comes as the years roll by.

Will White's arteries may have hardened; his heart and soul and mind never did. He granted to every friend—and to all men, for that matter—the right to be wrong without impairing their relations to himself. If he ever hated any person, I never knew of it. If he ever failed to hate any wrong, I never knew of that. He was a grand and glorious fighter, as well as one of the greatest editors, writers, and leaders of thought of his day and generation.

I might add that he asserted for himself the same right to be wrong that he granted to others, and never hesitated to exercise that right against all comers. He was a man—and a friend—in a million; aye, in a hundred million.

I mourn his passing, but at the same time I rejoice in his having lived, and in the way he lived, and in the many good and kindly, as well as in the great and the near-great, things that he did during a long and happy and very useful life.

His death a few days ago in Emporia, where he was born and lived and worked and inspired to higher ideals his readers over all the world, was a sad blow to me, to his friends in Kansas, to the Nation, and to the world.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, the eloquent and well deserved tribute to Mr. White, delivered at the funeral services in Emporia, Kans., on January 31, 1944, by Mr. Henry J. Haskell, the able and brilliant editor of the Kansas City Star.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

We are met here this afternoon as the friends of William Allen White to show our respect and affection. We are met in a chapel that seems empty without him. Yet in a larger sense this chapel is not empty. It is crowded with memories that are more than memories—with enduring achievements that live on in the generation that he touched and moved and influenced.

"When we met him in person or on the printed page, we came like Bunyan's Pilgrim to the Interpreter's house. For primarily he was a great interpreter of life—of the human comedy or tragedy that passed before him. Interpretation was his technique. He was a preacher of righteousness, of sane and wholesome and unselfish living. But he preached largely by revealing to us our own hearts and the hearts of others."

I recall the thrill that came to me long ago when I first read his tales of the high plains—the story of drought stricken Aqua Fura and the little girl of 3 who looked up into the old man's eyes and asked, "What is rain, Mr. Barringer?"

BOOK LIFTED SPIRITS

And the Home Coming of Colonel Hucks, and the rest. Then I began to understand something of the cost of the winning of the West. A Certain Rich Man broadened our experience—and built the Gazette office, as well. Our spirits were lifted by that gay book the Martial Adventures of Henry and Me, but in it we caught illuminating glimpses of the meaning of the war.

In his Woodrow Wilson he analyzed the achievements and failures of the idealist. Masks in a Pageant was a keen diagnosis of the trends of recent American history. Do you remember its significant chapter headings? "The Old Kings"—Croker and Platt; "The Early Stuarts"—Harrison, Grover Cleveland, McKinley; "The Warwicks"—Hanna and Bryan; "The Great Rebellion"—Theodore Roosevelt, Taft, and Wilson; "The Restoration"—Harding and Coolidge? What a world of meaning there is in each of these titles. And finally we got fresh insight into the roaring insanity of the boom era from that penetrating study of Coolidge, A Furitan in Babylon.

It was difficult for anyone reading these books to escape being influenced by the light they threw upon the actors in the world in which we live.

BOOKS ONLY A SIDE ISSUE

But these many books, important as they were, were only a side issue with him. They represented his avocation. His vocation was journalism, which involved not only the life

about him, but excursions far afield into national and international affairs.

First of all, he was editor of the Emporia Gazette, and the Gazette office was the springboard for all his work. It was as editor of the Gazette that he first skyrocketed to fame with his editorial, *What's the Matter with Kansas?* It was as editor of the Gazette that he was accepted into that world-wide club of the newspaper clan. It was as editor of the Gazette that he won the Pulitzer prize and that he attained the honor that perhaps he valued most, the presidency of the American Society of Newspaper Editors.

In his last illness it was confided to him that he was to receive the unique distinction of a gold medal from the society. His comment was that nothing could gratify him more because it was recognition from the men who knew him best, the men of his chosen profession.

HIS EDITORIALS UNIQUE

I suppose that his most lasting contribution to American letters—if it is not his forthcoming autobiography—will be found in the editorials collected in the two volumes, *The Editor and His People*, and *Forty Years on Main Street*. In these editorials all his rare qualities had free play—his exuberance, his humor, his quaint ways of expression, his kindness, his sympathy, his independence, his courage. Nobody in the world but Bill White could have written them.

Consider a sample. In 1926 Tom Taggart, king of the French Lick resort, sued Edna Ferber for mentioning his name in connection with gambling. The Gazette came out with an editorial headed "Sir Galahad," nominating Taggart for the Camp Fire Girls' medal. "And the author," it continued, "who so meanly insinuates that Tom knows a white chip from a red one should get the punishment she so richly deserves. As everyone knows, Tom Taggart holds the Epworth League 1926 championship for drop-the-handkerchief and was the 1922 cup winner in post office."

And do you recall his answer to Lady Asquith's inquiry to some New York reporters, *What is Kansas?* "Kansas," wrote the Gazette editor, "is the Mother Shipton, the Madame Thebes, the Witch of Endor, and the low barometer of the Nation. When anything is going to happen in this country it happens first in Kansas. * * * There is just one way to stop progress in America, and that is to hire some hungry earthquake to come along and gobble up Kansas. But say, Margot, listen. That earthquake would have an awful case of indigestion for two or three epochs afterward."

In another vein, take his editorial on the death of Woodrow Wilson:

"God gave him a great vision,
The devil gave him an imperious heart.
The proud heart is still.
The vision lives."

And speaking of editorials, we cannot forget that American classic, *Mary White*, which already has been reprinted in the anthologies of American essays.

INTO BROADER FIELDS

His Gazette editorials introduced him into broader fields. The qualities that inspired them made him first a State and then a National figure. Kansas was proud to be represented by William Allen White at national conventions even if, as at Chicago in 1920, he strayed away with a few kindred souls after Hoover instead of going along with the rest for Harding.

Theodore Roosevelt proved a formative influence in his life as well as in the life of many others. Something essential in his make-up responded to the American liberalism of Roosevelt, and he went off in the wild and glorious adventure of the Bull

Moose movement. It was this liberalism that found expression in his revolt against the intolerance of the Ku Klux Klan and led him to his sole excursion as a candidate for office when he ran for Governor. Who shall say that his great campaign for political decency did not produce a lasting effect on his State?

It was in keeping with the pattern of his life that he gave himself to arousing his apathetic countrymen to their danger by organizing the Committee to Defend America by Aiding the Allies. The sentiment that he mobilized contributed powerfully to changing the neutrality laws so we could sell arms to the democracies. And finally it was on his suggestion that the superb trade was made that gave hard-pressed England the 50 overage destroyers in return for the Atlantic bases.

INFLUENCE ON BRITISH

Englishmen have expressed to me their surprise that a man from far-off Kansas should have been such a factor in the salvation of the British Commonwealth and the cause of civilization itself. They could not know the long years of work that had brought this Kansas editor to his position of influence in American life.

Behind all his work was the personality of the man. He was a great human being—great in intelligence, in understanding, in courage, in zest. Life to him always was a glorious adventure. "I never have been bored an hour in my life," he wrote on the occasion of his sixty-fifth birthday. "I get up every morning now wondering what new, strange, gorgeous thing is going to happen, and it always happens at fairly reasonable intervals. Lady Luck has been good to me. I fancy she is good to everyone, only some people are dour, and when she gives them the come-hither with her eyes, they look down or turn away and lift an eyebrow. But me, I give her the wink and away we go."

A PART OF HIS THINKING

Lady Luck certainly smiled on him a half century ago when she brought him Sallie Lindsay. As all who know the Whites will bear witness, his wife became an essential part of his personality. What the world knew as William Allen White was a composite figure made up of Will and Sallie. She made her indispensable contribution to his thinking, to everything he did. Her taste, her grace, her intelligence, infused his entire career. To visit in their home was to be lifted to a new level of experience.

We of William Allen White's generation, who felt the impact of his influence, cannot think of him as having left us. For he has gone to—

"Join the choir invisible
Of those immortal dead who live again
In minds made better by their presence; live
In pulses stirred to generosity
In deeds of daring rectitude, in scorn
For miserable aims that end with self,
In thoughts sublime that pierce the night
like stars
And with their mild persistence urge man's
search
To vaster issues."

This search to vaster issues is our heritage from William Allen White.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause, and to insert the following:

That section 1 of the act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term "31st of March" where that term first appears therein and substituting in lieu thereof the term "30th of June," and by deleting from the second sentence thereof "on the basis of the cost, including not more than 1 year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of 12 months ending with March 31 of each year, whichever is less" and inserting in lieu thereof "on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower." The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

SEC. 2. Section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended by changing the designation thereof to section 7 (a); by striking out in the first sentence of such section "February 17, 1944" and inserting in lieu thereof "June 30, 1945"; and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: "Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business."

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided*, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further*, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of one fiscal year: *Provided further*, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however*, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided*, That any such advances of reimbursements shall be considered as non-administrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of

business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities, except as provided in section 4 hereof: *Provided*, That with respect to any such commodities for which programs involving such payments or losses have been announced on or before October 13, 1943, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but winding up and liquidating such programs shall proceed after the date of enactment of this act, and shall be completed within a reasonable time not later than June 30, 1944: *Provided further*, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oil seed and oil seed meals: *And provided further*, That nothing herein shall be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

SEC. 4. The Commodity Credit Corporation may sell at a loss perishable fruits or vegetables, owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage.

SEC. 5. The first sentence of section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is hereby amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$3,250,000,000."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. BARKLEY. Mr. President, may I engage the attention of the Senate for a moment? We are about to embark upon the consideration of the subsidy bill, which has been reported from the Committee on Banking and Currency. There will, no doubt, be various amendments offered to that measure during its consideration and before final comple-

tion. I simply want to urge all Senators to remain in the Chamber so as to save time in the matter of calling rolls. I doubt very much if there is any new phase of the subject which can be discussed which has not already been threshed out time and time again in the Senate and in the House and in the country.

It is very desirable, I think, that we complete the legislation this week. It seems to me we ought to be able to conclude it within 2 or 3 days. If that is done, and we then can call the calendar and dispose of some measures on the calendar, I think we may look forward to a few days of relaxation; in other words, to be more or less at ease for a few days because of the lack of pressing legislation on the calendar.

Therefore, I hope that Senators on both sides of the Chamber will cooperate to conclude the pending legislation this week. I think it can be done if all Senators will cooperate, and that means that we ought to remain here and give our attention unreservedly to this matter until it is concluded.

Mr. BANKHEAD. Mr. President, I desire to address the Senate at this time on the subsidy phase of the bill proposing to extend the life of the Commodity Credit Corporation.

There has been a great deal of misunderstanding about the provisions and the objectives of the pending bill. The impression prevails in some quarters that the purpose of the bill is to eliminate and prohibit all subsidies. That is not true. In the first place, the bill deals only with food subsidies. There is the same misunderstanding on that subject. The bill does not seek to eliminate and prohibit all food subsidies. It provides that neither the Commodity Credit Corporation nor any other Government agency shall use Government funds to make any subsidy or other payment or to pay or absorb losses on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices to consumers established on such commodities under the Emergency Price Control Act, as amended. The bill then provides that where programs have been announced on or before January 14, 1944, such programs may be carried out to the extent only that funds are available for such purpose under existing law. The bill further provides that support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, commonly known as the Steagall Act. That is the act providing support prices for commodities to encourage production. Provision is further made that none of the foregoing provisions in the bill shall apply to any payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oil seed and oil seed meals, and that nothing in the bill shall be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar

growers authorized under title III of the Sugar Act of 1937, as amended.

The real purpose of the bill is to abolish what is commonly known as consumer subsidies, nothing more and nothing less, so far as subsidies are concerned. Other provisions contained in the bill are intended to make it clear that programs are not to be eliminated by reason of a misunderstanding or misinterpretation of the prohibition against the use of subsidies to roll back prices or to maintain prices where it is found by the O. P. A. that it is necessary for the producers to have additional pay in order to meet the cost of production and to enable them to continue adequate production.

I believe it is definitely against the best interest of the American people to engage in a widespread program of using tax money or money secured by the sale of War bonds to pay in part for the food consumed by all the people at a time when most of the civilian population has more money to spend than it has ever had before. The chief, if not the only, objective of paying consumer subsidies is to prevent increases in, and, at times, reduce the price of food. What food? The subsidy does not apply to all foods alike, neither does the rate of the subsidy. The O. P. A. Administrator selects the foods to be subsidized and the amount of the subsidy to be paid on each subsidized commodity. The subsidy plan calls for a reduction in some food prices for all people, regardless of need, in order to help those who need food price reductions. If considered from the standpoint of the advisability of aiding needy people, we should seek the same results through less wasteful procedure. If considered from the standpoint of avoiding inflation, I will point out later that it will have the opposite effect.

What thoughtful citizen can fail to view with anxiety the Government, now burdened with back-breaking loads of debts, entering upon a comprehensive food-subsidy program, especially at a time when average people have more money in the banks and in their pockets, free for spending, than they have heretofore had in all the history of this country? Does anyone believe that food subsidies will be abandoned when post-war reconversion days are here, when millions of men and women are hunting employment, when wages shrink, in line with former experiences, when the establishment of new homes confronts millions of families, including the discharged servicemen? Food subsidies in some form may then be required to prevent hunger and to relieve other dire needs. "Sufficient unto the day is the evil thereof." Let us wait until relief subsidies are needed before entering that field of large expenditures and more bureaus.

If subsidies are abandoned, ceiling prices can be used to stop inflationary increases in prices. If subsidies are eliminated, it would not result in excessive or wild inflation. The principal result would be an increase in the price of the particular goods that are under the subsidy program in an amount to correspond with the reduction in the price that had been brought about by the use of the subsidy. Price ceilings would stop

any additional increase in prices. If subsidies are abandoned, the price situation would revert to the status that prevailed before subsidies were applied. For illustration, the support price of butter was 46 cents a pound. A 5-cent subsidy paid by the Government reduced the price to the consumer to 41 cents. If the subsidy is abandoned, the price would go back to 46 cents. There was no wild inflation and no excessive burden on the consumers when the price stood at 46 cents. The chief difference is that the consumer would pay for what he eats, while under the present subsidy system the taxpayers pay for a part of what the consumer eats. Everyone naturally likes the lower of two prices for the same food; but the question arises, How long can a democracy survive when people call upon their Government for bounties and subsidies to support them when they are able to provide for themselves?

We have not heretofore during any of our wars made use of food subsidies to reduce food costs to our civilian population.

In considering inflation, the fact that it is the result of depreciation in the value of currency does not seem to receive the emphasis that it deserves. Many people think of high-priced foods as an evil, and it is; but they fail to appraise properly the cause of the disturbance in our price structure. Excessive prices result from depreciated value of the currency. Cheap money brings about high prices for goods. Cheap money is the result of lack of confidence in its ultimate redemption without loss in buying power, together with excessive quantities of borrowed money in circulation as compared with the quantity of goods for sale. When the quantity of money largely exceeds the quantity of goods for sale, the owners of money compete for the purchase of such goods as are available. That results in a contest of bidding for the inadequate supply of goods, and thereby results in higher and higher prices for such goods. When that occurs, inflation may proceed to bring about financial disaster.

In order to check the development of inflation, the cause must be treated, rather than effect. The cause is fundamental, and until it is properly treated there can be no satisfactory avoidance of the inflationary tendencies which have been produced.

We have in this country the largest volume of currency and its equivalent in our history. On the other hand, more than 11,000,000 active, strong, able-bodied young men have been withdrawn from the production forces of the country. As the circulating medium has been increasing by billions, through putting into circulation billions of dollars of borrowed money, the production of civilian goods has been steadily reduced. The gap between purchasing power and consumer goods has been and continues to be growing wider every day. A resulting inflationary menace cannot be eliminated or very greatly reduced by holding down prices on a number of foods through the payment of subsidies. That has no tendency to reduce a dangerous

inflationary gap. On the contrary, it increases it. In the same proportion that subsidy money is paid to producers and processors, the volume of circulating money, constituting the basis for inflation, is increased, and the value of currency is correspondingly depreciated. Subsidies may hold down some food prices. Depreciated currency puts up all prices. Subsidies are inflationary in that they increase the inflationary gap. Subsidies increase the national debt. Debt inflation is the most disastrous of all forms of inflation. Our national debt is now the largest in history and is soaring daily, reaching a total of \$185,000,000,000 on October 31, 1943, which is equivalent to \$1,204 per capita or \$4,816 for a family of 4.

Instead of relying upon "soothing syrups" in the form of putting more money into circulation through the payment of subsidies to enable consumers to buy farm commodities below the cost of production, it is necessary to engage in a major operation. It should be recognized that the menace to the value of our currency can best be removed by reducing the spread between the amount of money hunting goods to buy and the quantity of goods for sale. In my judgment, we must sooner or later resort to some additional form of taxation or compulsory bond investment as a means of withdrawing a large amount of idle money from circulation, unless the volume of money borrowed by the Government and put into circulation is greatly decreased and the quantity of goods produced is greatly increased.

It is almost inevitable that demands will be made for extending the subsidy program to other activities. Already, suggestions for subsidies on cotton clothing and on rents have been made. Requests have come from administration sources that the subsidy program for this year of \$1,100,000,000 be increased to \$1,500,000,000. The Maloney amendment pending now to the bill so provides.

Mr. President, in connection with the subject of the handling of the subsidy program and its application to various agricultural commodities, it occurs to me to tell the Senate of an incident which came to my attention when I was at home. I met a farmer whom I knew well. He told me that he was selling a good many eggs, and had been doing well with his egg program; but he said he brought his eggs in that day and the merchant told him that the price of eggs was going to be reduced 1 cent a week for some time. He said that then he tried to buy some chicken feed, and he inquired of the merchant if the price of chicken feed had also been reduced. The merchant told him no. He said, "Senator, I do not think that is right. They ought to put the 'subside-y' on the price of chicken feed and bring it down as much as they bring down the price of eggs." [Laughter.]

One of the soundest and best ways to overcome high agricultural prices is the application of the fundamental trade law of supply and demand. The people have an overabundance of buying power, and those having it have manifested a desire to exercise it. The shortage in supply,

as manifested by the necessity for the rationing program, deserves active attention. The large quantity of food bought by Lend-Lease and shipped out of this country has created an abnormal drain upon the normal supply and has thereby added a heavy inflationary factor. We cannot abandon that form of aid to our allies unless the danger of inflation from shortages in production demands it. It is appropriate to point out that the exportation last year of 11 percent of our entire food crop through Lend-Lease and the resulting reduction in our available food supplies constitute a major factor in bringing about inflation. The quantity of agricultural commodities removed from this country is the equivalent of a reduction to that extent in production. The Department does not yet know what amount will be required for Lend-Lease and other relief agencies this year, or what percentage of the food crop will be required, but that is a factor of major consideration which sooner or later we may be required to meet in some appropriate way.

We have an additional factor in the distribution in this country of foreign money sent here to be used to pay for the purchase of such agricultural commodities exported.

We cannot afford to decrease the large volume of food that goes to our armed forces. We cannot import food supplies because of lack of shipping facilities and because foreign countries are having difficulty in producing sufficient food supplies to meet their own domestic and foreign demands.

The evident answer to this complicated and tremendously important problem is to direct every available resource and effort toward increasing our production of foodstuffs. If and when we can produce more of any food commodity than is needed for our military and civilian requirements, high inflationary prices will promptly end for such commodity, unless depreciated currency has put all prices beyond control.

Some people have the idea that inflation grows primarily out of high food prices. So-called inflation which is attributed to the high price of some foods is not, in fact, inflation in its true sense. For illustration, when hogs were selling at 14 or 15 cents a pound many persons believed that destructive inflation was at hand and predicted dire disaster. As a result of an attractive support price which was announced, and appeals to farmers to increase hog production, the largest hog crop in many years was produced in 1943. A very large surplus developed and it has been and is still difficult to market the entire hog production. During the Christmas holidays I attended a meeting of farmers and O. P. A. officials, at which the subject of the marketing of hogs by the local producers was under discussion. Numerous farmers stated that they had many hogs on hand for sale and that there was practically no market for them and that the best offer they had been able to get was 6 cents a pound. Anyone who cares to examine the report by the State director of O. P. A. in Alabama will find that statement in the report.

I am wondering what has happened to the belief that inflation was imminent as a result of the high hog prices when they are now below normal prices as a result of adequate production. How many surplus crops would it take to deflate the idea that high farm prices create dangerous inflation?

Those who think only of increase in food prices when considering the subject of inflation fail to bear in mind that the major factors in that type of increased cost of living, which is generally considered as inflation, are other than agricultural. Out of our total national income of approximately \$150,000,000,000 a year, the farmers get only about 10 percent for the sale of their entire food crops. A pamphlet recently issued by F. A. Harper and W. M. Curtiss, of the department of agricultural economics, Cornell University, on the subject *Inflation Is on Our Doorstep*, contains the following statement:

It is frequently charged that the rise in prices of farm products is largely responsible for the inflation we now face. Of the rise in the national income of \$49,000,000,000 from 1939 to 1942, the sharing has been:

	Total rise	Percent of total rise
Going to agriculture.....	\$5, 800, 000, 000	12
Going to nonagriculture.....	43, 200, 000, 000	88
Total for the Nation....	49, 000, 000, 000	100

In other words, agriculture has been only one-seventh as much responsible for the inflation as has nonagriculture, judging from who received the money.

A fixed quantity of food now takes a smaller proportion of the pay check of the average consumer than at any time on record.

If it is true, as most economists assert, that the chief cause of inflation is the excess of income over goods for sale, then it is absolutely certain that the one-seventh which went to agriculture is, relatively speaking, a minor factor in the whole inflation picture.

Alarming predictions have been made to the effect that if the present subsidies are withdrawn there will be wild inflationary price rises, resulting in a large increase in the cost of living. Mr. Chester Bowles, Administrator of the O. P. A., opened his statement on the hearings on the antisubsidy bill before the Banking and Currency Committee as follows:

I should like to say before I start that I think it is unfortunate in one respect that the debate as I often hear it over the radio has become quite so extreme on this subject. I heard through one loudspeaker the other night that if subsidies are continued on food we will have a collapse of our American system within a few weeks. I heard through another microphone that if we didn't have subsidies we would be papering our walls with dollar bills. I have even heard that with the subsidy program you would go to the grocery store with a small pocketbook full of money and come home with a vast basketful of groceries, and that if the bill is passed in its present form you will go out with a basket of

dollar bills and come home with a purse full of goods. Now, these statements are obviously outrageous. They are ridiculous on both sides!

That is the statement of the head of the O. P. A. before the Committee on Banking and Currency.

While prices now seem high for food-stuffs as compared with prices since 1930, they are, in fact, not as high as they were during World War No. 1. On page 196 of the committee hearings will be found a table presented by Mr. Bowles showing the percentage increase in the cost of living after 50 months of war, World Wars Nos. 1 and 2.

I ask unanimous consent to have the table printed in the *RECORD* at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the *RECORD*, as follows:

TABLE 19.—Percentage increase in the cost of living after 50 months of war, World Wars Nos. 1 and 2¹

	World War No. 1	World War No. 2
	Percent	Percent
Cost of living, total.....	56.9	26.2
Food.....	74.1	47.8
Clothing.....	95.9	32.6
Rent.....	4.0	3.5
Fuel, electricity, and ice.....	35.2	10.7
Housefurnishings.....	86.0	25.7
Miscellaneous.....	49.9	17.1

¹ World War No. 2 data show changes between August 1939 and October 1943, except for rent, where the latest available figure is for September 1943. World War No. 1 data show changes between July 1914 and September 1918 except for fuel, electricity, ice, and miscellaneous. No monthly data are available for these categories; therefore the figures show the change from the yearly average of 1914 to the yearly average of 1918.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Mr. BANKHEAD. Mr. President, this table shows that the increase in the total cost of living in World War No. 1 was 56.9 percent, while in World War No. 2 it is only 26.2 percent. It shows that the increase in the cost of living for the same length of time during World War No. 1 was more than twice what it has been during the present war.

The increase in the cost of food in World War No. 1 was 74.1 percent, while in World War No. 2 the increase is only 47.8 percent. The Bureau of Labor Statistics has adopted 1926 prices as a base for determining whether or not prices at any period are higher or lower than the accepted base. It will be remembered that the Goldsboro resolution was passed by a vote of about 4 to 1 in the House of Representatives in the early thirties, directing the Federal Reserve System to reestablish the wholesale price level of 1926. That resolution was never considered by the Senate. According to that measurement of prices, current wholesale prices are merely 3 percent above the price level of 1926. Statistics published by the Bureau of Labor Statistics show that the cost of living and the cost of food to consumers in November 1943 were slightly less than in 1926.

According to the record submitted by the O. P. A., the present increase in the price of food after 50 months of war is 26.3 percent lower than it was after 50 months of war in World War No. 1. There is no such alarming condition in the present cost of food as to justify the United States in entering upon a new drastic and inflationary method of price control of foods—the subsidy plan.

The testimony of the O. P. A. as presented to the committee—and, of course, it was presented in as favorable light as the witnesses could honorably justify—shows that the increase in the cost of living would be 2.922 percent, or substantially 3 percent, and the increase in the cost of food would be 7.025 percent, if subsidies are withdrawn. No wonder Mr. Bowles commented on the extravagance and wildness of the statement that the withdrawal of subsidies would bring about dangerous inflation. The cost of living—3 percent—is the test of the total effect on the consumers. Wheat for livestock feed is estimated by the O. P. A. as representing 0.416 percent of the 2.922-percent increase in the cost of living. That subsidy is not eliminated by the bill. The increase in the cost-of-living index from removal of subsidies is thereby reduced to 2.5 percent. The estimated increase in the cost of food is correspondingly reduced.

Recently I heard the distinguished Senator from Kansas [Mr. REED] make a most powerful, effective, and convincing argument on the subject. In his speech I recall that that was substantially his judgment after careful study of the situation; namely, that the increase would be about one-half, or perhaps less than one-half, of the amount previously estimated by the O. P. A.

Mr. REED. Mr. President, will the Senator yield?

Mr. BANKHEAD. I should rather not yield. I have asked each Senator who has requested me to yield to allow me to complete my address.

Mr. REED. I beg the Senator's pardon. I had not known that.

Mr. BANKHEAD. There is no Senator to whom I would rather yield than the Senator from Kansas.

It is urged by highly responsible students of the subject that the O. P. A. figures are excessive and that the correct figures are about one-half as high as the ones presented by O. P. A. officials.

According to a table prepared by the American Farm Bureau Federation, based on information from the Bureau of Agricultural Economics and the Office of Economic Stabilization, and inserted in the committee hearings on page 41, the effect of the subsidies on daily food costs is 2¾ cents for individuals, and 11 cents for a family of four.

I ask unanimous consent to have the table printed in the *RECORD* at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the *RECORD*, as follows:

Estimated effect of subsidies upon the daily food costs for a family of 4 persons

Product	Amount of subsidy per unit ¹	Estimated annual civilian consumption per capita for 1943 ²	Effect on daily food cost for a family of 4 ³
			Cents per day
Butter.....	5 cents per pound.	13.0 pounds....	0.71
Cheese.....	4 cents per pound.	4.9 pounds....	.22
Milk.....	1 cent per quart.	180.5 quarts....	1.98
Meat.....	3 cents per pound.	124.0 pounds....	4.08
Bread.....	1 cent per loaf.	92.5 loaves....	1.01
Sugar.....	1 cent per pound.	75.0 pounds....	.82
Vegetables.....	3.5 cents per No. 2 can.	19.2 No. 2 cans....	.74
Potatoes.....	1 cent per pound.	131.0 pounds....	1.44
Amount per day for a family of 4.			11.00
Amount per day per individual.			2.75

¹ Based upon or calculated from information released by the Office of Economic Stabilization.

² Based upon data published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

³ Calculated by multiplying the amount of the subsidy by the annual per capita consumption, then multiplying by 4 and dividing by 365.

NOTE.—The food subsidy program as now being applied by the Government amounts to about 11 cents per day for a family of 4 persons, or 2¾ cents per day per individual. Butter subsidies of 5 cents a pound amount to about 65 cents per year per person. A bread subsidy of 1 cent per loaf would amount to less than \$1 per year per person. The present consumer subsidy program amounts to around \$10 per year per person.

Mr. BANKHEAD. Anyone who wants to confirm the statement can take the population of the country and the amount of the subsidy and soon compute the amount per person.

Thus, if the entire food subsidies are withdrawn, it would mean an average increase in food costs of only 11 cents per day for a family of four. Some consideration should be given to the fact that hard workers require more food than those who do not engage in active physical work, and in estimating the effect of the subsidies we should bear in mind that this allowance applies only to the worker in the family. It should also be borne in mind that food costs represent only 19 percent of the income of the average consumer, which is the lowest percentage on record.

The argument that the abandonment of the roll-back consumer subsidies would be unduly burdensome on the consumers and would generate inflation, is a speculative prediction by those who want to retain subsidies. These subsidies were put into effect within the last 7 or 8 months, one of the large ones—milk—about December 1. There has been no noticeable reduction in the cost of food or of living as a result of the subsidies.

It is a matter of common knowledge that the fear of breaking the line of the Little Steel formula is one of the chief causes for the administration insisting on the continuance of the subsidies. This statement is confirmed by the testimony of O. P. A. Administrator Bowles in the Senate hearings. From page 163, I quote the following questions by the Senator from South Carolina [Mr. MAYBANK] and answers by Mr. Bowles:

Mr. BOWLES. We cannot control this thing as we have controlled it without a continuation of the plan.

Senator MAYBANK. Is it because of the threat to the Little Steel formula?

Mr. BOWLES. It starts with that as the whole basis; and whether that is correct or not, I do not know.

Senator MAYBANK. After all, it resolves itself into the pressure about the breaking of the Little Steel formula.

Mr. BOWLES. Yes.

Senator BANKHEAD. Suppose the Little Steel formula is broken anyway and you have the subsidies.

Mr. BOWLES. If we have the subsidy, Mr. Davis—

He was referring to Mr. William H. Davis, Chairman of the National War Labor Board—

thinks he can hold the Little Steel formula. If the Little Steel formula is not held, we cannot hold our job.

Mr. Bowles, who is one of the highest-class men I have encountered in Government service, in saying "If the Little Steel formula is not held, we cannot hold our job," did not have in mind anything personal to himself or the job that he holds with the Government. He had in mind the job of holding the Little Steel formula. The reason I am quoting his statement is to show from official sources that this controversy about subsidies grows out of the controversy about being able to retain the Little Steel formula if the subsidies are not used.

Without going into a discussion of the various figures of earnings which have been presented to the committee by different witnesses, but accepting the statement of the Bureau of Labor Statistics that the average hourly rate for all manufacturing workers is 99½ cents, workers who are threatening the Little Steel formula in the event subsidies are withdrawn are earning on an average as much as \$7.96 a day, 6 days a week. Is it reasonable to believe that with this rate of pay it would be a hardship on working people to pay 11 cents a day per family, to take the place of the withdrawn subsidies on some food commodities?

Some people assert that the fight by the farmers against food subsidies is based upon a desire to secure more pay for farm commodities. That is not true. Except in the case of roll-back subsidies, the removal of the subsidies would not result in the farmers getting any more money for their products. The immediate financial difference to them would be that, instead of the taxpayers paying in part for farm products, the consumers would pay for them in the market place, but the amount received by the farmers would be the same. If all subsidies were withdrawn, farmers would not seek any price higher than the present market price plus the amount now paid in the form of a subsidy. In short, the farmer does not ask any more than he is getting now. He wants it all paid by the consumers of his commodities and does not want to look to the Treasury of the United States to get any of his pay for his labor and property. He does not want to be required to submit proof from time to time to some Government agent of the quantity and quality of the commod-

ity sold by him, and he does not want to go with frequency, at his expense, to the county seat to get his check.

Government agencies that have taken part in this controversy have grounded their position largely upon the assumption that the withdrawal of a billion dollars in subsidies will result in breaking the Little Steel formula by all labor organizations. We heard the same argument when Congress passed the so-called Bankhead parity bill, and the President vetoed it. That bill was intended to annul an order the President had made deducting 5 cents from the ceiling price on corn. Very greatly exaggerated statements were made predicting wild inflation if the Bankhead bill became a law. Many Senators who had voted for the bill expressed an unwillingness to vote to override the veto because of the fear that John L. Lewis would then have grounds to break the stabilization order and that such action would be followed by the representatives of organized labor throughout the country for increased wages. As a result of that expression of anxiety, the proponents of the bill could not secure two-thirds of the votes in the Senate to override the veto, and the bill was sent to the Senate Committee on Agriculture and Forestry, where it still rests.

Mr. Lewis got an increase, anyway, of about \$1.50 a day for nearly 600,000 men. That means about \$270,000,000 a year added to the spending money of the Nation. The rail workers threatened to strike unless they got increases in wages in violation of the Little Steel formula. They asked for an increase of 8 cents an hour and were finally granted increases ranging from 9 to 11 cents an hour, which will cost an estimated quarter of a billion dollars. I do not complain. If these 2 groups were entitled to it, it would have been wrong to deny them. Automobile workers are now demanding a general wage increase of 17 cents an hour; steel workers, textile workers, and many other groups are demanding general wage increases, despite the fact that the subsidy programs are still continuing. Even if Congress should continue all of these subsidy programs, it is obvious that it would not stop the demands of labor groups for general wage increases. Of course, it is ridiculous on the face of it to argue that a saving of an average of 2¾ cents a day per person by reason of food subsidies is going to persuade workers to give up demands for wage increases ranging from \$1 to \$1.50 a day.

A short time after the Bankhead parity bill was sent back to committee Mr. Chester Davis, Food Production and Distribution Administrator, made an order replacing the 5 cents a bushel in the price of corn which had been deducted and which caused the Bankhead bill to be introduced. Very little public notice was taken of the action by Mr. Davis.

The restoration of the 5 cents a bushel had no injurious effect on consumers or on inflation. In fact, it is now recognized that an increase of 15 or 20 cents a bushel would have been better for the country. It was definitely proven that the alarm about inflation which was

sounded and spread all over the country was totally unjustified. It was again proven that there is no infallibility in the domain of predictions. It is likely that recent excitement about wild inflation will calm down with passing time as it did on the corn controversy.

I am not opposed to all agricultural subsidies. If the pending bill repealed all subsidies I would oppose it actively.

Under the same circumstances that prevailed when we adopted soil-conservation and parity-payment programs for the depressed and heavily burdened farmers, I would gladly take the same course. I am not willing now to repeal the statutes under which authorizations for appropriations for soil conservation and parity payments were approved and the Steagall price-support program was enacted. I have never regarded the soil-conservation payments as a subsidy, but I understand the President so regards them. I do not favor over-all subsidies for price-making purposes and do not favor what is generally known as consumer subsidies. The roll-back, price-reducing, and price-maintaining subsidies are paid by the taxpayers purely for the benefit of consumers and they interfere with orderly marketing processes under which the farmer gets his pay for his commodities in the market place under the law of supply and demand and with the consumer properly protected through ceiling prices.

How does the Government secure the money paid as subsidies? There are but two chief sources of Government income, namely, taxes and loans. The taxes are admittedly totally inadequate to pay the normal expenses of the Government and to conduct the war operations. The result is that a very large amount of money must be borrowed from time to time to carry on the Government's activities. The payment of obligations in excess of the current taxes must come from money borrowed by the Government. As the present necessary obligations exhaust the taxes received, it is apparent that the money for the payment of subsidies must be borrowed, and under the present financial program it comes from the sale of Government bonds. When will these bonds be paid through taxes? We have only to look at the experiences of the past to realize that the payment of the bonded indebtedness, including the amount used in paying subsidies, will be projected far into the future. When we look at the amount currently used in the payment of subsidies we cannot fail to consider the increase in that amount which will accrue as a result of the cost of bond sales and the accumulation of interest—and the last item may, before the bonds are paid, more than double the amount paid as subsidies. Who will be the taxpayers for the service of these bonds, as well as their gradual retirement? Must our boys, on their release from the national colors, be required to pay in part for the food eaten by you and me and more than 125,000,000 others, most of whom are able to pay for what they eat? We cannot overlook the fact that the payment as a part of the taxes to pay this subsidy will fall upon our children and our grandchildren and their

children under the usual method of satisfying a Government obligation which will doubtless exceed \$200,000,000,000. It will not be a matter of pride to us, who are living in security, and many in comfort, to be obliged to face our soldiers as they return from battlefields throughout the world and inform them that they will be expected to take up the obligation of paying in part for the food that we ate while they were fighting for us.

It is doubtless true that a substantial segment of our population is not situated so that it can bear in comfort any substantial increase in the cost of food. The proportion of these people, however, does not justify the granting of bounties to all those who would not suffer as a result of the withdrawal of the bounties, thereby increasing some food prices. Other ways are available for providing compensatory relief to those with small incomes who have not had appropriate income increases. During the last great depression, it will be recalled, the food stamp plan was put into operation and afforded much relief to many needy people. Bills are pending at this time to put into operation the same plan or something similar to it.

I submit that a better way to avoid injurious results to low-income people from the abandonment of the subsidy program, would be to authorize rebates of the actual amount paid by low-income consumers in lieu of the subsidies which had been withdrawn. This should, of course, apply only to those with definitely low incomes and without any other inquiry into the subject of their need. The mere fact of a low income and of a desire to get back the additional money they paid in lieu of the amount covered by the subsidy which had been withdrawn, should be the only requirements necessary to qualify the consumers to secure a rebate of the extra amount they paid on account of the withdrawal of the subsidy.

It is generally recognized that when the war ends there is likely to be substantial reductions in wages and farm commodity prices. In times of declining prices farm prices go down faster and to lower levels than other prices and wages.

That is historical.

The effect of consumer subsidies is to reduce farm prices now while industrial wages are likely to be increased from time to time. No one has proposed that increases in wage rates be paid with subsidies. Does anyone believe that industrial workers would be satisfied to apply for subsidy payments from the Treasury to pay for wages earned by them? It is unthinkable.

When the time for post-war readjustment arrives, a disparity wider even than that now existing in the earnings of industrial and farm workers will prevail as a result of the subsidy program. It is an established rule that in all general price decline movements agricultural prices are the first to go down and the last to stop going down. A long, difficult struggle is then necessary to get farm prices up to a level approaching

actual parity prices with the prices of nonagricultural prices and wages of workers.

It may be recalled that after the great decline in farm prices following the last war the usual parity level of prices was not regained until 1941, after a period of twenty-odd years, during which the farmers suffered through inability to get their prices on an ascending scale. The unjust and unbalanced situation I have just described will result from subsidy legislation reducing and holding down farm prices, and not from general economics. It will present a very serious problem which should not burden the farmers when this horrible war ends, in their struggle for decent standards of living.

A subsidy program is inflationary—by reducing the price of consumer goods it encourages increased consumption and increases excess purchasing power in the hands of consumers. It does not encourage production as good prices do. It adds to the public debt. It contributes to the depreciation of the currency. Certainly food subsidies should not prevail at this time of abundant money so widely circulated, and with rationing power and price ceilings available to the administration to control price rises.

Mr. ELLENDER. Mr. President, I should like to ask the Senator from Alabama a few questions in respect to the amendment which is the substitute for what is provided for in the bill which passed the House.

I understand the only provision that was added to the House bill was section 5, which increases the amount of loaning capacity \$250,000,000.

Mr. BANKHEAD. No; that was not the only thing added.

Mr. ELLENDER. But that was one of the principal things added?

Mr. BANKHEAD. That is true.

Mr. ELLENDER. As I understand, the House provided that subsidies should terminate on December 31, 1943, and the substitute extends the time until June 30, 1944.

Mr. BANKHEAD. That is true, but that is not all. I think the bill was introduced in September, and it provided for a termination of the program on the 31st of December, which allowed 3 or 4 months, some considerable time, for everyone to become adjusted before the program was terminated. When I introduced my bill in the Senate I provided that the liquidation should begin not later than the 1st of January.

Mr. ELLENDER. That is, after the enactment of the bill?

Mr. BANKHEAD. Yes; that liquidation should begin at that time, and that it must be completed and the programs closed by the 30th of June.

I have an amendment which would strike out the provision that liquidation should begin the 1st of January, or the 31st of December, because so much time has intervened that it would be an impossibility. I did not in the beginning wish to make the closing of the program too abrupt, too quick, so as to upset either the agency administering it, or the consumers, or the subsidy recipients. For that reason I provided time for an

orderly liquidation. Then, after so much time had elapsed before we could obtain action on the bill, I did not see any need for inserting a liquidation clause, and merely provided, as was provided in my original bill, that the program must be closed up by June 30.

Mr. ELLENDER. Is it the Senator's view that with the language now incorporated in the substitute, or with the amendment he proposes, the Commodity Credit Corporation could maintain the present subsidies up to June 30, 1944?

Mr. BANKHEAD. That is correct.

Mr. ELLENDER. Can any new subsidy programs be added?

Mr. BANKHEAD. No.

Mr. ELLENDER. I thank the Senator.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee in the nature of a substitute.

Mr. MALONEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Radcliffe
Austin	Green	Reed
Bailey	Guffey	Revercomb
Ball	Gurney	Reynolds
Bankhead	Hawkes	Robertson
Barkley	Hayden	Russell
Bilbo	Hill	Shipstead
Bone	Holman	Smith
Brewster	Jackson	Stewart
Brooks	Johnson, Colo.	Taft
Buck	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Langer	Thomas, Utah
Butler	Lucas	Tobey
Byrd	McClellan	Truman
Capper	McFarland	Tunnell
Caraway	McKellar	Tydings
Chandler	Maloney	Vandenberg
Chavez	Maybank	Wagner
Clark, Idaho	Mead	Wallgren
Clark, Mo.	Millikin	Walsh, Mass.
Connally	Moore	Walsh, N. J.
Danaher	Murdock	Wheeler
Davis	Murray	Wherry
Downey	Nye	White
Eastland	O'Daniel	Wiley
Ellender	Overton	Willis
Ferguson	Pepper	Wilson

The ACTING PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment in the nature of a substitute to House bill 3477.

Mr. MALONEY. Mr. President—

Mr. WHITE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut has first asked for recognition by the Chair. The Senator from Connecticut is recognized.

Mr. MALONEY. Mr. President, if it is in order, I desire to call up an amendment which I earlier sent to the desk and which has been printed. I ask that the amendment be read.

The ACTING PRESIDENT pro tempore. The amendment will be read.

The CHIEF CLERK. In lieu of the matter proposed to be inserted by the committee beginning on page 9, line 11, and ending with line 23 on page 10, it is proposed to insert the following:

SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities, unless the Economic Stabilization Director shall find that payments for any such purpose are necessary in order to obtain needed production or distribution of a commodity consistently with the objectives of the Emergency Price Control Act of 1942 and the Stabilization Act (Public Law No. 729, approved October 2, 1942) to prevent inflation and to stabilize prices, wages, and salaries: *Provided*, That the total amount expended by means of such payments to provide needed production or distribution of food commodities while keeping national living costs stable shall not exceed \$1,500,000,000 in any fiscal year: *Provided further*, That incentive or production adjustment payments may be made in accordance with the foregoing provisions: *Provided further*, That the limitations of this section shall not apply to the making of parity payments or soil-conservation payments; or to benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or to the sale of feed wheat as authorized by existing law.

The ACTING PRESIDENT pro tempore. Will the Senator from Connecticut suspend for a moment? The Chair understood that the Senator from Maine had a parliamentary inquiry to propound.

Mr. WHITE. Mr. President, the question I had in mind has been answered to my own satisfaction by myself.

Mr. MALONEY. Mr. President, just before the speech of the able Senator from Alabama [Mr. BANKHEAD] the majority leader pointed to the fact that this is a subject with which all Senators have had an opportunity to become familiar. He reminded us that it was under lengthy discussion last year, and that it has been considered for a long period of time in the Committee on Banking and Currency and in the Senate. He expressed the hope that the debate would be brief and that the bill would be acted upon at a very early date. He urged Senators to remain in the Chamber.

For two reasons I shall be exceedingly brief. First, because of a natural desire to expedite consideration of the proposal; and second because the majority leader's admonition is unheeded and many Senators are not in the Chamber, and because I have no special desire to talk to myself about this all-important matter.

I hasten to add, Mr. President, that I do not say that by way of criticism. This is the hour of the day when many Senators are usually at lunch, and other Senators are detained for other reasons.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. TAFT. Let me say that I am here to listen to the Senator with the greatest interest. Other Senators are present, but the majority leader is not in the Chamber. So I hope the Senator will continue at least until he returns.

Mr. DANAHER. Mr. President—

Mr. MALONEY. Mr. President, I was about to give the names of Senators who are present. [Laughter.] I yield to the Senator from Connecticut.

Mr. DANAHER. I should like to have my colleague know that not only am I here, but the Governor of our State is here. It is with great pleasure that I make that announcement.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BANKHEAD. I should like to ask the Senator if he has given any thought to the subject of the Senate adopting a lunch hour. On several occasions I have had to open the debate on a bill of considerable importance when only a handful of Senators were present. The number of Senators now present is approximately the number usually present at this hour. Senators have the habit of eating. They cannot be held in the Chamber. I know I cannot hold them. They do not often stay to listen to me. I think it would be a good idea for us to consider taking a recess for about 45 minutes at this time of day—say from half past 12 until a quarter past 1—to enable Senators to obtain their lunch. It would save time and the results would be better.

Mr. MALONEY. Mr. President, if that statement is submitted to me in the form of a question I do not agree. I do not wish to take a recess for lunch.

I should like to say to the Senator from Ohio [Mr. TAFT] that I am always grateful for his presence. I am particularly grateful for it now, because the able Senator has devoted his attention wholeheartedly to this particular subject, perhaps to a greater extent than most other Members of this body. He needs less enlightenment than do other Senators, although I think there is some slight room for improvement in his thinking on this question. In the few minutes I shall consume I hope I can help to persuade him.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. CHANDLER. I want my friend to know that I am present, at his side.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. VANDENBERG. That is all I wanted. [Laughter.]

Mr. MALONEY. Mr. President, I did not intend to be facetious. I was hoping to lay emphasis on the desire expressed by the majority leader that we have early action on the pending proposal. The dead line is the 17th of this month. Unless we are careful we may provoke another controversy such as that which caused some unusual feeling in the Senate just prior to the summer-time recess last year.

Mr. President, I had wanted to ask some questions during the course of the discussion of agriculture's Happy Warrior, the distinguished Senator from Alabama; but at his request that he be permitted to complete his statement, I necessarily restrained that desire. I cannot remember all the instances in which I might have questioned him or offered objection. However, there is one particular item to which I wish briefly to refer.

Before doing so, Mr. President, I should like to say that during the many years I have been a Member of Congress I have resolved every doubt in favor of the farmer. I have been pretty close to the views of the distinguished Senator from Alabama on agricultural questions, whether or not such questions were of particular concern to the people of the State whence I come.

I do not like the need for food subsidies—

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. MALONEY. I shall be glad to yield in a moment.

Mr. President, we are in the midst of a terrible war. We have cast the die. We are operating under a food subsidy program, and I feel that wartime food subsidies are a necessary thing.

I now yield to the Senator from Alabama.

Mr. BANKHEAD. I merely wished to confirm the statement of the Senator. I have observed his record, and I know that he has been the friend of the farmer and has supported most of the agricultural legislation.

Mr. MALONEY. Mr. President, I think the Senator could go a little further than saying "most." I do not think that he and I have disagreed on enough farm bills to exhaust the count on the fingers of my hands. I do, however, appreciate his kindly reference.

During the course of his discussion, if I remember correctly, the Senator from Alabama said that under the abandonment of the subsidy program the cost of living would rise approximately 7 percent. If I am in error I should like to have the Senator correct me now.

Mr. BANKHEAD. The cost of living?

Mr. MALONEY. The cost of living.

Mr. BANKHEAD. No; I said 3 percent.

Mr. MALONEY. I thought the Senator referred to the—

Mr. BANKHEAD. I said that the cost of food would rise 7 percent.

Mr. MALONEY. I thank the Senator.

Mr. BANKHEAD. The cost of living would rise about 2½ percent.

Mr. MALONEY. The Senator also said that in his opinion the subsidies would increase the national debt. He seemed to look upon this proposal as an effort to pay the Nation's grocery bills. To me he seemed to offer the suggestion that we might look for ways to withdraw money from circulation. He said that the people have an overabundance of buying power, although I know that he knew that the statement was not correct insofar as our entire population is concerned. The Senator from Alabama knows that there are millions of our people who are

without an overabundance of buying power, and that there are millions of our people who do not have the money in their pockets in such abundance as he describes.

Mr. President, I know of no one who is opposed to subsidies. I doubt that there is a single Member of the Senate who has not at some time or other, if he has not advocated, at least supported subsidies of one kind or another. I do not know any farmer in this land who is opposed to subsidies. Agricultural subsidies have been in effect for probably 100 years or more. If there should come another period of overabundance, as was the situation just before our entrance into this terrible war, there would be further clamor for some kinds of subsidies for agriculture. That applies to every Senator. It includes every State. I do not believe there is a Senator who would not only refuse to repudiate subsidies, in general, but would also refuse to repudiate agricultural subsidies.

The distinguished and able Senator from Alabama, for whom I have a great personal affection and admiration, stepped out from his customary role a little while ago and offered us a subsidy for the country press of the Nation.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BANKHEAD. I do not think the Senator should inject that subject into the debate. He knows that we fought it out in the Senate, and that the Senate agreed that it was not a subsidy although he insisted it was. I do not know why we should get into a debate on that subject. The bill to which the Senator refers is now pending in the other House.

Mr. MALONEY. There certainly was no desire on my part to offend the distinguished Senator, and, being anxious to please him, I shall make no further reference to the matter. I do not think I have contributed to the debate by mentioning it, and I am sorry that I made the reference. I wish, however, to dwell briefly on the fact that during his address the Senator spoke about a 7-percent increase in the cost of living. Mr. President, this war has made our country the largest buyer in the world of produce and products. We are spending approximately \$100,000,000,000 a year on the war. The Senator has spoken about a 7-percent increase in the cost of living—

Mr. BANKHEAD. No, Mr. President; I stated that there had been a 7-percent increase in the—

Mr. MALONEY. The cost of food.

Mr. BANKHEAD. Yes.

Mr. MALONEY. The Senator implied, it seemed to me, that we could increase the cost of food 7 percent and rest on our oars. There is not a Member of this body who for one moment believes that we can increase food costs 7 percent without an over-all increase in everything else.

There was much logic in the Senator's address. He talked about the low cost of food per family with or without subsidies. But every Senator knows that is because we have been successful un-

der our stabilization program, with all its faults and frailties. Every Senator knows that if we take off the restrictions now existent, which might in some instances follow if we should abandon the subsidy program, we cannot hold the line, we cannot confine ourselves to a 7-percent increase in the cost of food, we cannot keep wage prices on an even keel, and that there will certainly be a demand—and I expect a successful demand—for wage increases.

Reminding my colleagues that the Government of the United States is the largest employer of labor, the largest buyer of produce and products in the country, does it not seem a little out of place to be concerned about the returning veterans paying the food bill of America which is, in the language of the Senator from Alabama, costing only a few cents per family per day?

Mr. President, let me try to paint the true picture. If there should be a 7-percent increase in the price of foods other prices would go up accordingly, and I dare say that we would not be able to hold the increases to 7 percent.

Let me suggest that as a small beginning prices go up 10 percent, that wages and prices, with the shackles taken off, increase 10 percent; I do not believe anyone thinks that is a fabulous or an over statement. It simply means, Mr. President, that a 10-percent increase would cost the Federal Government, as the largest employer of labor and the world's largest buyer, on the basis of wartime expenditure of \$100,000,000,000 per year, \$10,000,000,000.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. TAFT. The Senator recognizes, I believe, that in the last 12 months, however, the average hourly cost of labor has gone up 12 percent in spite of the fact that prices have not gone up. What assurance has the Senator that any increase in prices will necessarily result in a greater increase in wages than is likely to occur in any event?

Mr. MALONEY. I am not a prophet, but I am not ready to surrender before the fight is made. I am not going to predict now that, regardless of what we do, wages are going up. Perhaps the Senator from Ohio is correct. He may be a prophet; he may be able to foresee the future; I do not want to disagree with him; but if there is a chance to hold the line on wages the chance is with us right now. The Senator knows—

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MALONEY. I shall yield in a moment. As a student of all legislation, particularly the pending legislation the Senator knows there is much that is psychological in this bill. The Senator knows that labor all over this land is now straining at the leash for increased wages; and the Senator knows that if we take the lid off prices by way of abandonment of subsidies there will be a cry for increased wages the like of which we have not heard up to now.

Mr. TAFT. Mr. President, will the Senator now yield?

Mr. MALONEY. I yield.

Mr. TAFT. I do not know anything of the kind. There will be a constant pressure for increased wages no matter what we do. There has been, and there is now. It has resulted in an increase of about 12 percent, as I say, in the cost of labor compared to a 25-percent increase in prices during the last 12 months.

I agree it will be an additional argument for the present position of the Government, which I believe to be unsound. I think that, although prices have gone up 25 percent, they are pretending, at least, to hold wages to a 15-percent increase. In other words, my point is that all a small further increase in prices will do will be to provide a small additional argument for wage increases; there will be the demand anyway, and the argument will be made anyway.

The labor people refuse to accept the figures of the Bureau of Labor Statistics as to what the increase is today. They are claiming that Bureau's figures are wrong, and that there is actually a 15-percent greater increase than the figures show. There is no question in my mind that the Government is going to have this fight anyway. I doubt very much that an increase of 2 percent in the cost of living, as indicated by the Senator from Alabama, resulting from a 7-percent increase in food prices, will do more than add one more slight argument when the labor people appear before the National War Labor Board.

The Senator accuses me of claiming to be a prophet. I am not. I am asking him how he knows, for he is the one who prophesies a \$10,000,000,000 increase in cost to the Government. I have not done so. I am saying we cannot tell; these things are intangible, and while there would be the basis for an additional argument, I do not think the Senator's prophecy can possibly be borne out.

Mr. MALONEY. Mr. President, I have not disagreed with the Senator. I told him he had a perfect right to essay the role of a prophet if he so desired, but I am not willing to admit the correctness of his statement; I am not willing to admit that the situation will be as he describes it. I can well understand the Senator's feeling; many share his fears; but if the worst of his fears are realized and he expects that the situation he has portrayed will prevail without subsidies, he cannot entertain the slightest hope, in my judgment, of holding the line insofar as wages are concerned unless he is willing to hold the line insofar as food prices are concerned.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. TAFT. I have no hope of holding the line so far as wages are concerned. Although the administration said they would do that, they have not done it, and I have no doubt that wages will continue to increase at the rate of about 1 percent a month, as they have increased during the past year, regardless of the action taken by the Congress on the pending measure.

Mr. MALONEY. Mr. President, if we throw off all restraints, if we remove the

restrictions which we have heretofore imposed, and wages are going to increase about 1 percent a month or 12 percent a year, the fear which I express does not sound so ridiculous, because I have only suggested that a 10-percent increase in the cost of labor and produce and products would increase the cost to the taxpayers of this country in 1 year \$10,000,000,000.

It seems to me in the face of that sort of situation it is rather picayune to be talking about the Nation's food bill. This is not a question of the Nation's food bill. The question here, Mr. President, as I see it, is whether we are going to repudiate a program which we earlier adopted, which is now in operation, and which, in my judgment, is meeting with considerable success. We have held the line fairly well, all things considered. I think it was Patrick Henry who said that the only way he could judge the future was by the past.

Mr. President, I am old enough to remember some of the experiences of the last war, when we did not impose self-restraint, when we did not rigidly attempt to do something about the control and regulation of prices. Surely, the Senator from Alabama and my other colleagues in the Senate remember what happened to the prices on foodstuffs during that war. Sugar was a shining example. In the last war sugar cost almost five times as much as it does under the governmental program of this hour.

Senators will perhaps remember that steel plates in Pittsburgh during the period of the last war increased in cost 695 percent; and that is a fair example of what occurred. Senators know, or ought to know, that should we abandon the program now in effect, a program which is meeting with success, if we let subsidies go and prices rise—and that is what this means—wages will rise, and if wages rise in the steel industry that means that the cost of ships and tanks and guns and most of the other materials of war will correspondingly increase. If steel should rise in cost as the result of wage increases which are in the offing, if we abandon this program, I shudder to think of the cost to the Nation; I shudder to think of the cost to the American taxpayer; and I can join, I think, in the tears that are shed for the man overseas who is going to be compelled to bear so much of this burden.

Mr. President, in view of our long experience with the program, I am reluctant to take the time of the Senate to discuss it further, and particularly am I hesitant to impose upon the Senate after the admonition and the plea and the suggestion of the majority leader that we make haste. Insofar as I am concerned, we can act on the bill today. There are no new arguments which can be made. Whatever is said is repetition; whatever develops in this debate is a rehash, if I may use a colloquial term, of what has been said heretofore.

The question, Mr. President, is whether we will adhere to the program existing, or whether we will bring about an interruption that will throw our stabilization program into complete chaos, whether we will take off the roof, wheth-

er we will go back to the bitter experiences of 1917 and 1918, or whether we will keep the faith a little longer. The issue is whether we will permit the administration, and particularly the administration of the O. P. A., which is meeting with greater success each passing day, to continue to give the Government and the people of this country the benefit of their more successful experiences of the last little while.

I do not ask anything new. My amendment does not magnify anything now existing. It does not go a step beyond where we are. All I ask is that we continue this program for another year. The amendment is ironclad. It provides a limitation of \$1,500,000,000. It sets forth in unmistakable and clearly understandable language how and when subsidies may be used.

Mr. President, I want to say again that I deplore the need for food subsidies. In ordinary times and under ordinary circumstances I would be among those hostile to this program; but we are not living ordinary times—we are not living under ordinary circumstances. We are in the middle of a war, and in the middle of a war, Mr. President, it seems to me it would be nothing short of stupid to take off our armor.

I hope the amendment will prevail. I hope we may have early action on this all-important measure.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Connecticut yield to the Senator from Vermont?

Mr. MALONEY. I yield.

Mr. AIKEN. Does the Senator believe that if a limitation of a billion and a half dollars is put upon the amount which can be spent for subsidies, the executive department would certainly keep within that limitation?

Mr. MALONEY. Under my amendment, they would have to.

Mr. AIKEN. Does the Senator from Connecticut know where the executive department is getting the money it is now paying and promising to pay in subsidies?

Mr. MALONEY. I certainly know where it is getting some of the money; it is getting it from the R. F. C.

Mr. AIKEN. Was the money appropriated by the Congress for that purpose?

Mr. MALONEY. I have made that speech many times, Mr. President. I have deplored the fact that the Reconstruction Finance Corporation was acting as an appropriation agency of this Government. I think it is a condition which should long since have been corrected. I do not like it. I would stop it now. I want to return at the earliest possible moment to a simplicity of Government. I want to repudiate those agencies which have outlived their usefulness. I want at the earliest possible moment to send them back to oblivion, whence they came, and if I am here when the war is over, I shall be anxious to set aside forever the agencies which have come into existence, almost all of them, as a result of the serious depression and the world war. I do not wish to engage

in that particular debate. I am on the Senator's side.

Mr. AIKEN. The Senator is satisfied that his amendment is so worded that it would prevent the borrowing of money which was not appropriated for that purpose to pay subsidies in excess of the one and a half billion dollars which it allows?

Mr. MALONEY. Mr. President, I have read in the press recently that this is an administration amendment. If it is, the administration adopted it. I think it is an iron-clad amendment. In my opinion, the answer to the Senator's question is "Yes." The intention is to limit the expenditure of funds under this program to \$1,500,000,000 a year.

I hope the Senator will agree with the feeling I have that I have never engaged in subterfuge. I do not want to do so now. If it becomes necessary to continue this program, or to expand a greater sum of money, I want it done here in the Congress. I do not want the R. F. C. making appropriations. I do not want any other governmental agency than the Congress of the United States making appropriations, and I have been advocating that procedure for so long as I have been a Member of the Senate.

Mr. AIKEN. I thank the Senator from Connecticut. We certainly do know him as one who does not resort to subterfuges, and I hope that, whether the amendment shall be agreed to or not, he has found a way of wording legislation so that the executive department can not misconstrue or misapply it.

Mr. MALONEY. I share the hope. I thank the Senator.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BANKHEAD. I call the Senator's attention to the fact that his amendment authorizes the expenditure of \$1,500,000,000 each fiscal year.

Mr. MALONEY. I said that.

Mr. BANKHEAD. What I desire to call to the Senator's attention is that during the present fiscal year, under the amendment, the administration could spend \$3,000,000,000. They would be limited to \$1,500,000,000 for each fiscal year. There are 4 months left in the present fiscal year in which they could spend \$1,500,000,000. Then, beginning July 1, and between that and the 1st of January they could spend an equal amount.

Mr. MALONEY. If that be so, I shall certainly correct it.

Mr. VANDENBERG. Mr. President, will the Senator from Connecticut yield to me?

Mr. MALONEY. I yield.

Mr. VANDENBERG. The Senator's reference to the inevitable and inescapable relationship between prices and wages is what challenges my primary interest in connection with the pending legislation. I wish to ask the Senator whether the Committee on Banking and Currency was able to give any consideration to the basic idea contained in the so-called Monroney amendment in the House, which undertook specifically to gear wages and prices together and keep them in gear.

Mr. MALONEY. Mr. President, if my memory serves me well, that particular question was not considered at length by the Committee on Banking and Currency. But the Senator knows that it had some of my attention, because, with a recognition of his special talents and his deep interest in the subject, I talked with him about it at some length. I tried ever so hard to work out an amendment which would bring into effect the very sensible thought which the Senator has in mind, which first came to light, I think, as a result of the amendment offered in the House of Representatives by the gentleman from Oklahoma, Mr. MONRONEY.

I discussed the matter with Government officials in Washington who were interested. I sought the help of the Office of Price Administration and other agencies of Government here in the drafting of such an amendment. I am not a lawyer, and I wanted the best legal advice. It appeared that the best legal advice available found it was impossible to write an amendment which would meet the situation.

Mr. VANDENBERG. I can understand the difficulties the Senator has had, because I have collided with the same difficulties in undertaking to pursue the objective myself. Yet I still cling to the fundamental belief that until there is established a more definite and specific relationship between wages and prices, and particularly between the governmental authorities controlling these two factors, we are going to be in a state of constant turmoil with respect to this whole problem.

Mr. MALONEY. I am inclined to agree with the Senator. I went so far as to suggest to him that we together might work out an amendment. I think it has been most difficult everywhere. I think some such effort was made in Canada. I do not know the experience of England. But the problem is almost too difficult.

I think the closest we can approach to the stabilization of wages, or the holding of the line, is the adoption of the pending amendment, which will permit a continuation of subsidies and provide a continuation of pretty rigid price control, which I think should dissuade workers who are being sufficiently paid from asking for increases in wages. There are certain instances, as we recognized when we passed the Stabilization Act, in which wages should be increased. We provided for the adjustment of inequalities. I do not think we want to erase that action, but I think that if wages are to be stabilized, if wages are to be kept within the lines drawn by the administration, we must adopt some such amendment as that which I have offered. In my opinion, the repudiation of the amendment would be a repudiation of the Government's subsidy program and, in my judgment, would come pretty close to being a repudiation of the effort to hold the line.

Mr. TAFT. Will the Senator from Connecticut yield?

Mr. MALONEY. I yield.

Mr. TAFT. As I understand the Senator's amendment, it would permit a continuation of the present subsidy, the so-called feed-milk subsidy, by which the

Government is now undertaking to pay every farmer who sells any milk or sells any butter a certain number of cents a pound, a program which, I understand, has cost some \$300,000,000 during the year.

Mr. MALONEY. The Senator is correct.

Mr. TAFT. There is another subsidy which is being paid, that on wheat flour, but it seems to me very doubtful today whether it has any effect on the price of bread. Would the Senator's amendment permit the continuation of that particular subsidy?

Mr. MALONEY. It does not specifically refer to it, and it does not deny it. So I think the answer is that it would authorize continuance of that subsidy.

Mr. TAFT. There is another subsidy paid to canners of vegetables. Last year a statement was issued that canners could charge a certain price, but if the cost of labor went up so many cents they could charge the additional cost in the price of their products. The price of labor did go up. When the canners attempted to charge the additional price, Mr. Vinson said, "That is all right, but if you made more than 6 percent on your invested capital last year you cannot charge that additional price." In other words, he undertook to use the subsidy program to control profits.

Mr. MALONEY. I am against that, let me say to the Senator from Ohio.

Mr. TAFT. But as I read the Senator's amendment that procedure could still continue, because it provides no restriction against that kind of treatment of the canners which Mr. Vinson is now pursuing.

Mr. MALONEY. I am opposed to that idea. If the Senator can find a way to improve the language to restrict such procedure I shall not object.

Mr. TAFT. In the amendment which I hope to offer I have tried to place language to prevent such procedure.

I wish to ask the Senator one other question. The Senator proposes the spending of one and a half billion dollars. The President's message on the subject, sent to Congress about a month ago, stated that the subsidy program would cost only 1 percent of the total governmental expenses per annum. I estimate 1 percent to amount to about \$950,000,000 instead of \$1,500,000,000. Can the Senator give any reason why he is asking for about 50 percent more than the President suggested in his message?

Mr. MALONEY. I think the President made a mistake.

Mr. TAFT. I thank the Senator.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BUSHFIELD. I hold in my hand the report of the United States Department of Labor which shows that there was an increase of 94 percent up to December 31, 1943, from January 1939, in the earnings of factory workers. The same report indicates an increase of only 26.2 percent in the cost of living. The items of food subsidies about which we are talking today affect principally the class which is covered by this 94 per-

cent increase. Does the Senator care to make any comment upon that?

Mr. MALONEY. No; I do not think I care to comment upon that. It is a subject which has been tossed around in the Committee on Banking and Currency and on the Senate floor for many months. I have seen all the sets of figures, I think, and I do not believe I could contribute anything to the debate by attempting to comment upon that subject.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. WILEY. I am sorry I did not hear all the remarks of the distinguished Senator from Connecticut. I understood him to say that at present much of the funds which are available for subsidies come from the R. F. C.

Mr. MALONEY. I did not say how much. I said some of them.

Mr. WILEY. And did I correctly understand the Senator to say that if his amendment were to become law in his opinion it would affect the operation of that subsidy scheme so that no longer could funds be obtained from the R. F. C. for subsidies?

Mr. MALONEY. Excepting within the limitations of this proposal. As to food subsidies, the answer is "Yes."

Mr. WILEY. I should like to ask the Senator another question. If the Senator's amendment should not become law, is there anything in his opinion which would operate to stop the present method of obtaining funds from the R. F. C. for subsidies?

Mr. MALONEY. Not if the Commodity Credit Corporation is continued. If the Commodity Credit Corporation is continued—and I rather believe it is the desire of Congress to continue the Corporation—then there is not anything that I know of which would prevent the present practice of paying subsidies from R. F. C. funds.

Mr. WILEY. Then, in other words, whether the Senator's amendment is agreed to or not, the present practice of paying subsidies will go on; is that correct?

Mr. MALONEY. I do not know what will go on, but I rather expect it will, because I expect the administration under existing circumstances and at this late hour is wise in continuing the subsidy program. Since the policy has been adopted, I have every reason to believe that if the Commodity Credit Corporation is continued the subsidy program will be continued.

Mr. WILEY. Irrespective of whether or not the amendment is agreed to?

Mr. MALONEY. I am simply giving the Senator my opinion; but I call his attention to the fact that if the amendment is agreed to, it will restrict food subsidy expenditures to \$1,500,000,000 in any one fiscal year, and neither the R. F. C. nor any other governmental agency can go beyond that.

Mr. WILEY. Do I correctly understand, in accordance with the thought brought out by the distinguished Senator from Alabama [Mr. BANKHEAD], that the purpose of the proposal is to limit the amount to \$1,500,000,000 over a 12-month period?

Mr. MALONEY. That is correct. I am sure the Senator is clear about that, but let me read briefly. On page 2, line 14, there is this provision:

Provided, That the total amount expended by means of such payments to provide needed production or distribution of food commodities while keeping national living costs stable shall not exceed \$1,500,000,000 in any fiscal year.

I think the intent is obvious. At the same time I think that technically the distinguished Senator from Alabama is correct, although that could be gotten around by expending considerable money between now and the end of the fiscal year, and I shall take steps to find language to make the necessary correction to guard against that loophole.

Mr. WILEY. Do I correctly understand that the total amount estimated for, say, the present fiscal year, or, say, the 12-month period, for subsidies is about \$1,200,000,000?

Mr. MALONEY. I think something in excess of that amount. I believe that at the last meeting of the committee we were told that it reached in the neighborhood of \$1,300,000,000 or a little more. There was some necessary increase for transportation costs and one thing and another.

I should like to say for my own sake that I am not the manager of this bill.

Mr. WILEY. I believe the Senator has stated rather clearly that it is his conclusion that whether the amendment is agreed to or not, the present policy of the Government with respect to subsidies will continue, and that the money will be available from the R. F. C. for that purpose.

Mr. MALONEY. I am not going to become a prophet. If I have my way the Senate will adopt the \$1,500,000,000 amendment, and we will not have to speculate on what will happen thereafter.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. AUSTIN. I wish to ask a brief question which I think the distinguished Senator from Connecticut can answer. It is limited to the area of New England. What has been the amount of reduction in the retail price of milk as the result of the subsidy since it went into effect?

Mr. MALONEY. I do not know of any reduction.

Mr. AUSTIN. Then the other question is: Does the Senator know whether there has been a reduction in the volume of production of milk in the New England area since the subsidy went into effect?

Mr. MALONEY. I am not entirely sure. There are experts present and we will have an opinion in a moment. But we have reached the difficult time in milk production, as the able Senator from Vermont knows, coming as he does from a great dairy State. I am not a farmer, but I know that the present is the low-yield period, and I suppose there may have been some reduction recently, but if the Senator will permit me to yield to his distinguished colleague I know he will have the answer.

Mr. AUSTIN. I shall be glad to.

Mr. AIKEN. I can answer that question because I definitely do know, although I do not have the exact figures with me. Since the milk subsidy was put into effect there has been a steadily increasing reduction in the production of milk as compared with the corresponding period for a year ago. I do not say that the subsidy is to blame for all of that. Poor roughage is possibly to blame. There are other factors. But there has been a steadily increasing reduction in the supply of milk available for human consumption.

Mr. MALONEY. Mr. President, let me attempt to emphasize what the Senator has said. He divorces that completely from the subsidy program; does he not?

Mr. AIKEN. I think the subsidy has been a factor throughout the Nation; because, as I understand the matter, only approximately 70 percent of the milk producers have actually received the subsidy. That percentage may be increased later. Perhaps some of them expect they may find some way to get it. They are chiefly small producers, as I understand, who perhaps live so far from where they must go in order to apply for the subsidies that perhaps they do not do it.

Mr. AUSTIN. Mr. President, will the Senator yield so that I may ask my colleague a question?

Mr. MALONEY. I yield.

Mr. AUSTIN. My first question is, What has been the reduction in the retail price of milk?

Mr. AIKEN. There has been no reduction in the retail price of milk, so far as I know, since the subsidy was put into effect. I think the reduction in New England since last year has been approximately 6 percent. It is hard to tell, because we are now getting in the fluid-milk-market milk which used to go to creameries for use in making butter. But I think the reduction has been 6 percent, as compared to a year ago. It is not as much as that for the entire Nation. I do not have the figures before me, but perhaps I can put them in the Record tomorrow.

Mr. MALONEY. Mr. President, if I may have the attention of the junior Senator from Wisconsin [Mr. WILEY], I should like to say that it is my understanding that if the so-called Bankhead bill is passed there will be no continuation of subsidies.

Mr. BANKHEAD. No continuation of what kind of subsidies?

Mr. MALONEY. If the Bankhead bill passes there will be no continuation of food subsidies.

Mr. BANKHEAD. O Mr. President, the Senator is in error. I am sorry he did not stay here to hear all of my remarks.

Mr. MALONEY. Except for the food subsidies provided for in the bill.

Mr. BANKHEAD. No; a large majority of them will continue. The only ones intended to be terminated are the consumer subsidies.

Mr. ELLENDER. Food subsidies.

Mr. BANKHEAD. Yes; food subsidies.

Mr. MALONEY. I hope the Senator will not insist upon being technical. I

thought he understood we were dealing with food and consumer subsidies.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. TAFT. I think the Bankhead bill would permit the payment of subsidies in the sum of approximately \$200,000,000 or \$300,000,000. It would eliminate all roll-back subsidies and most of the other subsidies. It would permit only the continuation of subsidies on vegetable oils and oil products—a considerable number of products which are handled by the Commodity Credit Corporation, but not in any very large dollar amount. That is my analysis of the Bankhead bill.

Mr. MALONEY. As I understand the bill, it will erase what the Senator from Alabama refers to as consumer subsidies.

Mr. TAFT. Yes.

Mr. MALONEY. The Bankhead bill would erase the so-called consumer subsidies.

Mr. TAFT. I do not recognize the difference between a consumer subsidy and any other kind of subsidy. It is exactly the same thing.

Mr. MALONEY. I am endeavoring to distinguish for purposes of debate and clear understanding.

Mr. TAFT. Yes.

Mr. MALONEY. I am assuming that the Senator from Wisconsin referred to consumer food subsidies.

Mr. WILEY. That is correct.

Mr. TAFT. But the exceptions contained in the Bankhead bill are clearly stated. They are payments "with respect to competitive domestic vegetable oils and fats and oilseed and oilseed meals," "parity payments, soil conservation payments, or benefits to sugar growers," "or the sale of feed wheat."

Mr. BANKHEAD. And all production subsidies under the Steagall Act. They are specifically exempt. Those are the production subsidies.

Mr. TAFT. I do not know anything about that. Support prices are authorized, but I do not see any exemption of subsidies under the Steagall Act.

Mr. BANKHEAD. I will find out, and will point it out to the Senator.

Mr. TAFT. I should like to ask another question while the Senator from Alabama is looking for that. The Senator from Connecticut has proposed a figure of \$1,500,000,000. When Mr. Bowles was before the committee, he said, as I remember, that they were then paying subsidies at the annual rate of only \$1,100,000,000, and that he saw need for another \$100,000,000 or \$150,000,000 in sight, which he would like to have provided.

Now the Senator from Connecticut has chosen a still larger figure. I am not sure whether he adds "feed wheat" to that, also, so that the figure is somewhat larger than \$1,500,000,000. Why does the Senator provide for approximately \$250,000,000 more than the present program calls for?

Mr. MALONEY. Immediately after the Christmas-time recess, some of us had a meeting with Marvin Jones, Chester Bowles, and Mr. Hutson. An effort was made to have the learned senior Senator from Ohio [Mr. Taft] present

at that meeting. Unfortunately for us, he was out of the city. Members on both sides of the aisle were present at the conference, and we were given further information. I cannot be sure about the figures. I hope the majority leader will have them later. It is my recollection that we were told that the total expenditures under the program were very close to \$1,400,000,000 at that time.

I took the figure of \$1,500,000,000—I say this in answer to the Senator's question—because I felt that some few items, some unforeseen emergencies, some unanticipated expenditures might move into the situation, and that they should have some additional money as a safeguard.

Mr. TAFT. Mr. President, my recollection is that last spring, when we began to consider this matter, the subsidies were at approximately \$500,000,000. When we came back the past fall they were \$850,000,000. When we considered the matter before the Christmas recess, the figure was \$1,100,000,000. Now I understand the subsidies amount to \$1,400,000,000. I merely wish to suggest to the Senate that it certainly seems to me more desirable to provide some limitation on subsidies than it is to pass this bill and have it vetoed and have the increase continue for the next 2 or 3 years.

I think the figure of the Senator from Connecticut is too high. I do not think he sufficiently considers some of the kinds of subsidies of which he himself perhaps disapproves. I think there is something to be said for putting a limit beyond which the Administration cannot go in the future.

If we pass the Bankhead bill as it is, it is certain that the President will veto it, and will claim the right at least to go on increasing the figure until it reaches \$2,000,000,000 or \$3,000,000,000 or \$5,000,000,000.

Mr. MALONEY. That cannot be true if my amendment is agreed to and becomes a part of the law.

Mr. TAFT. That is true. But I think the figure is too high. I do not think the Senator has restrained the figure as I think it could and should be restrained. I shall develop my own amendment on that point later.

Mr. MALONEY. I should like to take advantage of this moment to say that the Senator from Ohio is, or I hope he is, to some extent familiar with my view.

Mr. TAFT. Yes.

Mr. MALONEY. And, of course, he is quite correct when he says there are some things about the program which I find distasteful.

Mr. TAFT. In fact, Mr. President, the Senator from Connecticut and I entirely agree on the fundamental principles, so far as I can tell from our discussion. The only question is, What shall we do with the practical problem facing us today?

Mr. MALONEY. I think we do, Mr. President; and that makes me proud; and I am very hopeful that before the debate is over, the fair-minded and always open-minded and learned senior Senator from Ohio will, as a result of the information which he gathers, see fit to increase his figure just a little more, so that we may be completely in accord.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MALONEY. I shall yield in a moment.

Mr. President, I should like to take this opportunity, if I may do so, to modify the amendment I have offered. It has been suggested to me by the distinguished senior Senator from Michigan [Mr. Vandenberg] that the insertion of two words on page 2, in line 18, will correct the danger and will close the loophole to which the Senator from Alabama has referred. So I ask that I may modify my amendment by inserting, on page 2, in line 18, after the word "fiscal", the words "or calendar."

Mr. TAFT. Mr. President, will the Senator yield for a moment? Is it not simpler to treat the whole subsidy question on the basis of a calendar year—

Mr. MALONEY. That is just what this does.

Mr. TAFT. Instead of "fiscal or calendar"?

Mr. MALONEY. The modification does just what the Senator suggests.

The PRESIDING OFFICER. The amendment of the Senator from Connecticut will be modified in accordance with his request.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. WHERRY. There is one point about the Senator's amendment on which I should like to have light. As I understand, the language on page 2 of the Senator's amendment would authorize the legal payment of subsidies for the processing of meats. Is that correct?

Mr. MALONEY. Would legalize it?

Mr. WHERRY. It would authorize it.

Mr. MALONEY. Yes.

Mr. WHERRY. I should like to point out to the distinguished Senator that up to this time those of us from meat-producing States have contended that there has been no legal authorization to pay the roll-back subsidy. However, it has been paid as a consumer subsidy, when all the time we have felt that if it were paid at all, it should go the other way, and go to the producer. Let me tell the Senator what has actually happened in my State, and then the Senator may make such observation as he cares to make.

Mr. MALONEY. Let me interrupt the Senator. I am anxious to yield the floor. I have not the slightest desire to yield the floor while some Senator wishes to ask a question. If the Senator wishes to make a lengthy statement, I would rather yield the floor and take my seat.

Mr. WHERRY. I should like to ask a question before I am through, but I am attempting to lay the foundation for it, so that the Senator may have all the facts before him.

The roll-backs paid from June on have reduced the price of beef in the Chicago market to \$1.10 a hundred. A directive has been issued, as a result of which the top price of AA prime beef at Chicago is \$15.75 a hundred. A moment ago the Senator stated that the farmers were interested in subsidies. If the roll-back subsidies were now made legal, we would be forever foreclosed from obtaining a

subsidy the other way around. I am asking the Senator if there is not some way to modify the amendment so as to provide that the production subsidy may still be in full force and effect, to make up the difference between what cattle were bringing in June 1942 and what they are bringing now, because if the consumer subsidy is legalized, we are forever foreclosed.

Mr. MALONEY. I believe the Senator is so much better informed on the subject of beef that I leave that task to him. I do not suggest any change. I do not know that I would have favored the existing program as to beef in the beginning; but I think the psychological effect of a change now would be harmful. I do not care to undertake to correct the amendment in that respect. I respectfully leave that to the Senator.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. MALONEY. I yield.

Mr. WHERRY. The amendment would bring about a change, because it would legalize a consumer subsidy on milk and we feel it should be paid to the producer if paid at all. We are making an effort to see that the subsidy is paid to the producer. The Senator's amendment would legalize the roll-back subsidy, and that would bar the subsidy from being paid to the producer. The Senator's amendment represents a change to all the beef producers in our section of the country.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. MALONEY. I yield.

Mr. BUTLER. I think the amendment proposed by the Senator from Connecticut, as my colleague says, would legalize what we term "roll-back subsidies." My question is this: If such an amendment becomes law, is there any reason why the \$1,500,000,000 provided for cannot all be paid out in the form of a roll-back, or become consumer subsidies instead of producer subsidies?

Mr. MALONEY. That is a blunderbuss question. I do not know any reason why it cannot. Neither can I visualize any such extreme situation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. AIKEN. Inasmuch as the question of the amount necessary has been brought up, I should like to state that representatives of labor organizations appearing before the Committee on Agriculture and Forestry estimated that the cost of the food-subsidy program would be from \$2,000,000,000 to \$3,000,000,000. I assume that they are working hand-in-hand with the administration on this subsidy program. At least they expect to be.

Mr. MALONEY. I am able to inform the Senator that up to the present time they have not been doing so.

Mr. AIKEN. The one and one half billion dollars allowed by the Senator from Connecticut, if the limitation is observed, would not permit the administration to carry out the program which it has planned.

Mr. MALONEY. It so happens that this program is planned in the Federal

agencies downtown. I seek my information from those who are administering the law and will continue to administer it. I cannot look far into the future, and I do not wish to look too far into the future.

Mr. AIKEN. The spokesmen of labor assured us that they did not intend to stop with these subsidies, but intended to continue until they had rolled back all prices to those of September 1942. I tried to get them to agree to have wages rolled back to December 1942, but I was wholly unsuccessful in getting any such agreement from them.

Mr. MALONEY. That was a rather ambitious undertaking.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. ELLENDER. A while ago we discussed the subsidies which would be retained under the Bankhead substitute. I wonder if the distinguished Senator from Alabama would place in the RECORD at this point any data he may have showing the subsidies which would be retained if the bill were passed as he has presented it.

Mr. BANKHEAD. I shall be glad to place such data in the RECORD. However, I do not have them before me.

Mr. MALONEY. Mr. President, if there are no further questions, I gladly yield the floor.

INVESTIGATION OF GOVERNMENT ACTIVITIES IN THE OIL INDUSTRY—PETROLEUM RESERVES CORPORATION

Mr. MOORE obtained the floor.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MOORE. I yield.

Mr. BREWSTER. In collaboration with the Senator from Oklahoma [Mr. MOORE], I submit a resolution providing for the appointment of a special committee to survey the whole petroleum problem of this country.

As a preliminary I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the statement of the Petroleum Administrator for War, Secretary Ickes, on February 3, his further statement on February 6, and the outline of the principles of the proposed agreement regarding the pipe line to serve the oil reserves of the Persian Gulf, apparently executed under date of January 24, 1944, by the Petroleum Reserves Corporation.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Petroleum Administrator for War Harold L. Ickes announced today that the Arabian-American Oil Co. will undertake immediately in Saudi Arabia the construction of a privately owned and financed refinery to make petroleum war products for the United Nations.

The project will be financed entirely by the company, which is jointly owned by the Standard Oil Co. of California and the Texas Co.

Administrator Ickes also revealed for the first time that expansion programs have been under way for a number of months at the Bahrain Petroleum Co.'s refinery on Bahrain Island, in the Persian Gulf, at the Abadan, Iran, refinery of the British-owned Anglo-Iranian Oil Co., and at the Haifa refinery of

Consolidated Refineries, Ltd. Capacity of the Bahrain plant, which also is jointly owned by the same two American companies, is being substantially increased.

Administrator Ickes said:

"Additional refining facilities in the Persian Gulf area have been under consideration by the Petroleum Administration for a long time as part of the over-all United Nations military petroleum supply program. Several proposals representing our best solutions of the supply and materials problems were presented by P. A. W. to the Joint Chiefs of Staff and the Army-Navy Petroleum Board. These projects have been selected and approved by the military authorities as those best fitting the many logistical factors involved in relation to other parts of the world program.

"P. A. W.'s foreign divisions are charged with fitting into the United Nations war program the facilities and properties of American oil companies abroad, as well as advising the military authorities of the over-all problems relating to petroleum resources and facilities of other United Nations.

"For many months the full utilization of Middle Eastern oil resources, both British and American, was impossible because the Mediterranean was a virtually impassable no-man's land, and there were not enough tankers to use the long sea route around Africa. United States reserves, thousands of miles closer to the battle lines, were forced to carry the load.

"Long before movements in the Mediterranean were made easier, however, we were completing plans to lift some of the unequal burden from the United States, and for many months now every refinery in the Middle East has been running full blast for maximum production of war products within the varying limits of available tanker capacity. In addition, P. A. W. from the beginning of the war undertook the study of the advisability of expanding critical materials for refinery expansion to utilize the excess crude-oil productive capacity in this and other areas whenever transportation would permit.

"Decisions were not easy, because of the urgency of United States domestic programs, particularly our own vital 100-octane-plant program. However, in our judgment the Arabian-American and Bahrain projects are of the utmost importance, and the military authorities have concurred. The same considerations have guided our recommendations on proposals affecting British-owned facilities in the Middle East.

"With the help of other interested agencies, P. A. W. will support the new Saudi Arabia refinery before the War Production Board to seek the highest obtainable priority.

"The effect of these projects on the supply of petroleum products in the United States cannot be predicted accurately now. Obviously, every gallon of petroleum supplied from outside the United States relieves us here to some extent, but present indications are that these new facilities will serve to meet additional future demands rather than replace current supplies from the United States."

The United States Government will construct a pipe line for transportation of petroleum products from the Persian Gulf area to a point on the eastern shores of the Mediterranean, and will obtain in that area reserves of 1,000,000,000 barrels of oil, Secretary of the Interior Harold L. Ickes announced today on behalf of the Petroleum Reserves Corporation, of which he is president. The Directors of Petroleum Reserves Corporation are the Secretaries of State, War, Navy, and Interior, and the Administrator of the Foreign Economic Administration.

This project is covered under an agreement in principle between the United States Government and the Arabian American Oil Co. and the Gulf Exploration Co. That the

planners are already looking. Soon we will begin to hear of plans for Government ownership, or control, of private shipping and transportation by water and by air. The argument will be that the Government must convert to post-war uses our immense fleet of merchant vessels and warplanes. The activities of the Petroleum Reserves Corporation are merely part of the plan. These activities and schemes for the future of the White House planners are so far-reaching and so sinister in their implications that there is imposed upon the Congress the pressing obligation to investigate this proposal of the Petroleum Reserves Corporation and all similar proposals from top to bottom.

I am inclined to believe that appropriate legislation should be offered to invalidate any contract or other agreement made by the President, or any agency created by him, or other agency or Department of Government, that heretofore has imposed or which hereafter will impose upon the United States the duty of negotiating with any foreign government for affirmative or reciprocal rights, unless such contracts, agreements, or obligations are presented to and approved by the Senate in the manner provided by the Constitution for the approval of treaties between this Nation and foreign governments.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments numbered 9, 11, and 12 to the bill (S. 1235) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes; that the House disagreed to the amendment of the Senate to the amendment of the House numbered 3 to the bill, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WORLEY, Mr. RANKIN, Mr. BONNER, Mr. LE COMPTE, and Mr. ELLSWORTH were appointed managers on the part of the House at the conference.

JOINT COMMITTEE ON SELECTIVE SERVICE OCCUPATIONAL DEFERMENT OF OFFICERS AND EMPLOYEES OF LEGISLATIVE BRANCH

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair) laid before the Senate a letter from Mr. THOMAS of Utah, which was read, as follows:

UNITED STATES SENATE,
Washington, February 9, 1944.

Hon. HENRY A. WALLACE,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: Owing to the great pressure of work in the standing committees of the Senate of which I am a member, it is with regret that I ask to be relieved of membership on the Special Committee for Deferral of Legislative Employees.

Sincerely yours,

ELBERT D. THOMAS,
United States Senator from Utah.

Mr. BARKLEY subsequently said: Mr. President, earlier in the day the Senator from Utah [Mr. THOMAS] presented his

letter of resignation as chairman and a member of the Joint Committee on Selective Service Occupational Deferral of Officers and Employees of the Legislative Branch. Because of the resignation from the Senate of the Senator from Massachusetts, Mr. Lodge, and his consequent elimination from the joint committee in question it being a committee with three Senate Members, two vacancies are created on the part of the Senate, leaving the Senator from South Carolina [Mr. MAYBANK] as the only Member of the Senate remaining.

I suggest therefore that the vacancies be filled by appointment by the Presiding Officer.

The PRESIDING OFFICER (Mr. TUNNEL in the chair). The Chair appoints the Senator from Indiana [Mr. JACKSON] and the Senator from South Dakota [Mr. GURNEY] members of the joint committee on the part of the Senate.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States to revise the basis of annual appraisal of its assets and for other purposes.

Mr. DOWNEY obtained the floor.

Mr. RADCLIFFE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Radcliffe
Austin	Green	Reed
Bailey	Guffey	Revercomb
Ball	Gurney	Reynolds
Bankhead	Hawkes	Robertson
Barkley	Hayden	Russell
Bilbo	Hill	Shipstead
Bone	Holman	Smith
Brewster	Jackson	Stewart
Brooks	Johnson, Colo.	Taft
Buck	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Langer	Thomas, Utah
Butler	Lucas	Tobey
Byrd	McClellan	Truman
Capper	McFarland	Tunnell
Caraway	McKellar	Tydings
Chandler	Maloney	Vandenberg
Chavez	Maybank	Wagner
Clark, Idaho	Mead	Wallgren
Clark, Mo.	Millikin	Walsh, Mass.
Connally	Moore	Walsh, N. J.
Danaher	Murdock	Wheeler
Davis	Murray	Wherry
Downey	Nye	White
Eastland	O'Daniel	Wiley
Ellender	Overton	Willis
Ferguson	Pepper	Wilson

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. DOWNEY. Mr. President, while it is my intention to support the Maloney amendment, even assuming it will be agreed to, I think that to Congress and the Executive will still be left the task of finding a new formula for the relationship between wages and the cost of living. It seems to me the relevant issues are most confused at the present time, and that we should immediately address ourselves more earnestly to the important solution of the task of determining just wages than we have yet done. Personally I think it is most unfortunate, in view of the debates which are now

going on that there is considerable uncertainty—at least I speak for my own mind—as to what is the true cost of living. As all of us know, the Bureau of Labor Statistics has fixed the cost of living presently at a figure around 123 or 124 percent compared with 100 percent as of January 1, 1941, and has declared that straight time hourly earnings during that period of time have risen almost exactly the same percentage according to the statistics the Bureau has. The representatives of two great labor groups, after many months of investigation, have prepared a most exhaustive report in which their claim is that over the period of time in question the cost of living has advanced, not 123 percent, but 143 percent.

I hold in my hand, Mr. President, a document entitled, "Recommended Report for the Presidential Committee on the Cost of Living by Labor Members R. J. Thomas, C. I. O. Labor Member, and George Meaney, A. F. of L. Labor Member." I ask unanimous consent to have inserted in the RECORD at this point in my address, the first five pages of that report, which contain a summary of the findings of the report itself.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

RECOMMENDED REPORT FOR THE PRESIDENTIAL COMMITTEE ON THE COST OF LIVING

I. SUMMARY

Conclusion

This report finds that the cost of living has risen by at least 43.5 percent from January 1941 to December 1943. This conclusion is highly conservative. It is based largely on data supplementary to those used by the United States Bureau of Labor Statistics in computing its cost of living index. A review of the principal deficiencies of that index and a statement of these deficiencies in quantitative terms confirm both the magnitude of the actual rise in living costs and the conservative character of our finding.

In view of the fact that the cost of living has actually risen by at least 43.5 percent since January 1941, whereas the B. L. S. index shows a rise of only 23.4 percent, we conclude that the B. L. S. cost-of-living index is unreliable as a basis for wage adjustments during the war period. Sole reliance upon it will result in continued serious injustice to wage earners and lower-salaried workers.

Procedure

Your committee has reviewed, to the extent that time has permitted, all the available statistical data bearing on changes in the cost of living. It has consulted at length with Government experts. It has interviewed many technical and business experts conversant with developments in retail markets. It has made use of extensive field surveys conducted by both the American Federation of Labor and the Congress of Industrial Organizations. And finally, it has profited by reports from hundreds of workers and housewives. Among all these witnesses, laymen and experts alike, there is unanimity that the cost of living has mounted far beyond the increase indicated by the B. L. S. index.

Deficiencies of the B. L. S. index

Failure of the index to reflect all the wartime increase in the cost of living is the result of several factors:

1. The Government's price control efforts and subsidy programs have been concentrated upon those food items which are currently priced for inclusion in the index. In consequence, according to special surveys in a number of cities, the prices of other foods,

important components of workers' budgets, have risen nearly twice as fast as those priced by B. L. S. Thus, while the food index has been artificially held down by the differential administration of the price control laws and subsidy programs, the actual cost of food as a whole has not been held down. A similar result has occurred in connection with the rent component of the index. Notwithstanding this finding, the committee wishes to commend the O. P. A. for its efforts to control prices. We need more price control, not less.

2. The construction of the index is such that it does not take adequately into account the disappearance of cheaper consumption items and the shift toward higher-priced lines. This deficiency is most striking in the case of clothing where trading up has been most clearly visible, but it is a factor also in the case of housefurnishings, food, and even housing.

3. The effect of quality deterioration, which has been very marked during this period, is almost completely neglected by the B. L. S.

4. The index is based on returns from only 34 of the largest cities (56 in the case of food prices). Retail price changes in these cities are not typical of price changes in all urban areas because the congestion resulting from wartime military and industrial activity has been most serious in smaller cities. In such areas, heavy immigration has produced such pressure on limited housing, stores and other facilities that prices have been driven up faster than in the more stable metropolitan areas. Our findings are conservative for the reason that they do not take this factor into account, except in the case of rent.

It should be emphasized that all the errors and inadequacies of the B. L. S. index are in the same direction: they all understate the price rises which have occurred since January 1941. The cumulative character of the deficiencies of the index underlines its inadequacy as an accurate basis for wage adjustments.

FINDINGS

1. The living costs of families of wage earners and lower salaried workers have risen by at least 43.5 percent between January 1941 and December 1943; that is, these families require \$143.50 to purchase the equivalent of goods and services which cost them \$100 in January 1941. The B. L. S. index reflects a rise of only 23.4 percent during this same period.

2. Large differences between the actual rise in living costs and the rise shown by the B. L. S. index were found for the principal components of the index: food, clothing, rent, and housefurnishings. Our findings regarding the increased cost of these types of items are shown in the accompanying table, along with the B. L. S. figures for the same period. (For purposes of this report, we have made no independent appraisal of "Miscellaneous" and "Fuel.")

Percentage price increases, January 1941 to December 1943 findings of this report and Bureau of Labor Statistics index

Commodity group	Findings of this report	Bureau of Labor Statistics index
Food.....	74.2	40.2
Clothing.....	72.2	33.7
Rent.....	15.0	3.0
Fuel, etc.....	8.6	8.6
House furnishings.....	62.0	27.8
Miscellaneous.....	15.9	15.9
All commodities.....	43.5	23.4

NOTE.—The figure for "all commodities" is a weighted average, obtained by adding the weighted percentage increases shown for the individual commodity groups, each group being multiplied by a weight equal to its proportion of the total of wage-earners' expenditures as calculated by the Bureau of Labor Statistics for January 1941.

3. In the case of food, our findings of an increase of 74.2 percent (compared to 40.2 percent indicated by B. L. S.) are confirmed by official Government data wholly independent of those used by B. L. S. While consumer expenditures for food rose 70 percent during this period (Department of Commerce), civilian food consumption in terms of physical quantity declined by 3 percent (Department of Agriculture). Consequently, combining these two figures, the price per unit of food has risen 75 percent (170 divided by 97 equals 175).

4. In the case of clothing, our conclusion that costs have risen by 72.2 percent contrasts sharply with the B. L. S. estimate that retail clothing prices have risen only 33.7 percent. Our finding relies heavily upon a special study of price changes shown by mail-order catalogs of Sears, Roebuck & Co. and Montgomery Ward & Co. Independent Government data show that a finding of 72.2 percent increase is conservative. Department of Commerce figures report an increase in expenditures for apparel of 57 percent; Federal Reserve Board data indicate a decline in volume of 10.7 percent. Thus the unit price has risen 76 percent (157 divided by 89.3 equals 176).

5. Principally because its coverage is confined to 34 large cities, the B. L. S. rent index grossly understates the actual extent of rise in wartime rentals. The index shows an increase of 3 percent; the true increase is at least 15 percent.

6. The cost of housefurnishings has risen by at least 62 percent—considerably more than double the increase shown by B. L. S. Findings of the mail-order survey were utilized in this section also.

7. We have not at this time attempted to arrive at independent findings for the other major groups in the index. In the case of fuel, electricity, and ice, we believe the index to be substantially accurate. In the case of the "miscellaneous" group, our preliminary findings indicate that the B. L. S. index greatly understates the actual increases in the costs of the diverse items included in this general category. Our investigations in this field have not been completed in time for inclusion in this report. We are continuing, however, to assemble data bearing on price changes of items in this important group. It is apparent that our findings with regard to the over-all increase in the cost of living will need to be adjusted upward when these data become finally available.

8. In arriving at our findings regarding increases in the living costs of wage earners and lower salaried workers, we have made no attempt to take into account certain additional factors which have resulted in significant increases. It is common knowledge that black markets are all too frequent, yet we have not considered them. Secondly, shifts in the distribution of family expenditures caused by wartime conditions have had a marked influence on the cost of living. These, too, have not been taken fully into account in the findings of this report, though they have greatly contributed to increased living costs. In addition, there are several other similar factors which are discussed in the concluding section.

Mr. BANKHEAD subsequently asked and obtained leave to have printed at this point in the RECORD the following article:

C. I. O. AND A. F. OF L. REPORT 43.5 PERCENT RISE IN COSTS—FEDERAL INDEX IS ASSAILED AND 28.5 PERCENT WAGE LAG ALLEGED—FINDINGS CHALLENGED

(By Charles W. Hurd)

WASHINGTON, January 29.—The labor members of the Presidential committee on the cost of living stated in a report today that living costs had risen 43.5 percent since January 1, 1941, instead of 23.4 percent as given

by the Bureau of Labor Statistics of the Department of Labor.

The labor members of the five-member committee are R. J. Thomas, president of the United Automobile Workers, C. I. O., and George Meaney, secretary-treasurer of the American Federation of Labor. The committee is headed by William H. Davis, Chairman of the War Labor Board, and the report of the labor members was submitted to him.

The report by the labor members drew quick response from the industry members of the committee and from A. F. Hinrichs, Acting Commissioner of Labor Statistics.

Mr. Davis also commented in a statement, saying that the report was "not in any sense a report of the committee."

The Senate subcommittee which is studying the economic problems of white-collar workers said that it would probably meet next week to hear the reply of the Bureau of Labor Statistics to the report by the labor members of the President's committee.

CAUTION BY INDUSTRY MEMBERS

The industry members of the President's committee, H. B. Horton, treasurer of the Chicago Bridge and Iron Co., and George K. Batt, vice president of Dugan Bros., Newark, N. J., made clear that the committee had taken no final action and that "the committee is under the responsibility not to make a final report to the President and to the public until careful consideration has been given to all the relevant data."

Mr. Hinrichs called attention to a survey made in October by an impartial committee of experts, headed by Prof. Frederick C. Mills, of Columbia University, which "after months of careful study found that the index of the cost of living does satisfactorily measure changes in prices."

"Surely," Mr. Hinrichs declared, "if they had evidence that food prices, for example, have gone up twice as rapidly as is indicated by the figures of the Bureau of Labor Statistics, this fact would not have escaped attention of this committee of experts."

The report of the labor members declared that the index of the Bureau of Labor Statistics was worthless as a gage in adjusting wages to the cost of living, and it contended that there was "a discrepancy of 28.5 percent between the rise in living costs and the wage adjustments (15 percent rises) allowed under the Little Steel formula."

Food costs, it added, had risen 74.2 percent instead of the officially acknowledged 40.2 percent; clothing, 72.2, instead of 33.7; rent, 15, instead of 12; and house furnishings, 62, instead of 27.8.

REPORT HEAVILY DOCUMENTED

The report, heavily documented, represented far-reaching studies by the C. I. O. and the A. F. of L.

"From 1940 to 1943, according to the Department of Commerce," the report said, "consumer expenditure rose by 36.8 percent, from \$65,700,000,000 to \$90,500,000,000. This increase is less than the rise in the cost of living, as shown in this report. In terms of real goods, consumer expenditures here declined since 1940."

It was contended that the statistics of the Labor Department bureau were inaccurate because their range of background was too narrow and that the Office of Economic Stabilization contributed to distortion of the price picture by confining price controls generally to the items studied by the bureau.

The report's conclusions were based on a broadened study of the basic items studied by the bureau—food, clothing, rent, and house furnishings.

The report stated that B. L. S. figures took no account of quality depreciation except as this entered into broad averages, of the disappearance of many cheaper lines of goods, of the fact that far more persons must eat meals away from home than formerly or of

other little things that added up to big differences.

As an instance of the little things, the labor members quoted from a report of the Hotel and Restaurant Workers International Union, A. F. of L., that where seven or eight pieces of meat formerly went into a stew, the number now was five, and the pieces were smaller.

The 15-cent ham sandwich, it was added, had advanced to 25 cents, with only half the ham content; chicken salad often was more tuna fish than chicken, and codfish cakes, normally 80 percent fish and 20 percent potatoes, now were 50-50.

"The Government's price-control efforts and subsidy programs," the report stated, "had been concentrated upon those food items used in the B. L. S. index and, in consequence, according to special surveys in a number of cities, the prices of other foods, important components of workers' budgets, have risen nearly twice as fast as those priced by B. L. S."

"Thus," the report went on, "while the food index has been artificially held down by the differential administration of the price-control laws and subsidy programs, the actual cost as a whole has not been held down. A similar result has occurred in connection with the rent-component index. Notwithstanding this finding, the committee wishes to commend the O. P. A. for its efforts to control prices. We need more price control, not less."

The report asserted that the index failed to take into reckoning such factors in living costs as black markets, various wartime changes in family expenditures, the cost of moving to new jobs, dual residences maintained by war workers to be near their jobs, increased taxes and War bonds and other forms of savings that decrease disposable income.

In its discussion of rents the report said: "During the war the large cities have felt the impact of the war primarily on the periphery. For example, war industry in the metropolitan New York area has been largely confined to the satellite northern New Jersey cities and to the outskirts of the city itself. It is precisely in such cities that rents have moved up most.

"Between 1939 and early 1942 rents in New York City rose only seven-tenths of 1 percent, according to the index, whereas rents in the medium-sized cities of northern New Jersey, which are not sampled but are weighted by the sample taken within New York City, rose from 3 to 6 percent in the same period. Yet northeastern New Jersey comprises approximately three-sevenths of the population weight given New York City in the index."

INDUSTRY GROUP STATEMENT

The statement by the industry members of the committee was as follows:

"The industry members of the President's Cost of Living Committee, in a statement to the press, said that no final action had been taken by the committee and that no report had been transmitted through the committee to the President.

"News dispatches to the effect that cost of living had increased 43.5 percent since January 1, 1941, instead of the official figure of 23.5 percent, are based on a statement prepared by labor representatives on the committee. There has been no committee finding on this point.

"On Tuesday, January 25, 1944, the committee received a statement prepared by representatives of the C. I. O. and the A. F. of L. which gives the position of these two organizations on the accuracy of the B. L. S. index of living costs.

"This statement is a voluminous and detailed document. It contains not only an examination of technical features of the Department of Labor's index number of the cost of living but undertakes to survey the movement of large numbers of prices of

individual goods and services. It introduces a figure for the cost of living that is widely at variance with the official B. L. S. index and challenges the methods used in the construction of that index.

FULL EXAMINATION DEMANDED

"If the President and the public are to receive a careful, scientific, unbiased report on what has actually happened to the cost of living in this country, it is the duty of all members of this special Presidential committee to subject any material, whether submitted by labor, by industry, or by the public members of the committee, to the most careful examination.

"To review the statement now submitted by labor representatives is a considerable undertaking. It cannot receive such examination within a few days. All of the observations, estimates, and conclusions which such a report necessarily contains are obviously subject to wide differences of interpretations and disagreements on facts and, in fairness to industry, labor, and the public, ought to be reviewed by competent and accepted authorities.

"It is the opinion of the industry members of the President's committee that the committee is under the responsibility not to make a final report to the President and to the public until careful consideration has been given to all the relevant data."

Mr. Davis said that the C. I. O.-A. F. L. report was submitted to the committee Tuesday. He added:

"It is a statement of the contentions of the C. I. O. and the A. F. L. as to the cost of living and the B. L. S. index. It is not in any sense a report of the committee. Copies were given to the industry members of the committee, who will submit to the committee their comments in due course. A copy has also been given to the B. L. S. for comment. These comments and all other relevant data will, of course, be carefully studied before the committee makes its report to the President."

Mr. Hindrich's statement in defense of the B. L. S. figures was as follows:

"William H. Davis, chairman of the President's committee on the cost of living, has given me a copy of the preliminary draft of a recommended report submitted by the two labor members to the committee. Mr. Davis asked the Bureau of Labor Statistics to study the document carefully and to submit its comments and criticisms for the consideration of all of the members of the President's committee.

EARLY ACTION PROMISED

"We shall do so as quickly as possible after we receive copies of the statistical tables and other data on which the report is based. Obviously we need to know about the statistics the unions collected on prices before we can prepare an adequate report. To date no such information has been transmitted to the Bureau.

"While I cannot comment on the report in detail at this time, it may be noted that as recently as last October an impartial committee of experts, headed by Prof. Frederick C. Mills, of Columbia, after months of careful study found that the index of the cost of living does satisfactorily measure changes in prices.

"This committee was appointed by the president of the American Statistical Association on the request of the Secretary of Labor. It invited the research directors of all the unions in the country to appear before it and many of them did testify. Surely if they had evidence that food prices, for example, have gone up twice as rapidly as is indicated by the figures of the Bureau of Labor Statistics, this fact would not have escaped attention of this committee of experts.

"The accuracy of the Bureau of Labor Statistics figures was generally accepted from January 1941 to May 1942. During this pe-

riod, while the Bureau of Labor Statistics food-price index rose 24 percent, the index was used in about 40 percent of the union contracts as a basis for adjusting wages. The Stabilization Act banned this use or it might have continued.

"Since May 1942 the index shows a further 16-point rise in food prices, bringing them 40 percent above January 1941. This report places the food-price rise at 75 percent.

"Here is a common-sense test anyone can apply: The food you could buy with a \$10 bill in January 1941 would have cost \$12.40 in May 1942, when nearly half the union contracts accepted the index as good enough to tie their wages to during the life of the contract. Then retail-price control became effective. The Bureau of Labor Statistics index shows that the January 1941, \$10 basketful would now cost \$14. The Thomas-Meaney report says \$17.40. Every retailer knows that food prices have not gone up twice as fast since price control as before and no housewife would claim it."

Mr. DOWNEY. Mr. President, I have discussed with statisticians in the Bureau of Labor Statistics their view of the report the summary of which I have just had inserted in the RECORD. While they have been helpful to me in what they have said, it is their statement that unfortunately this report has come to them so lately that they have not as yet been able fully to consider it and to prepare their analysis of it. While I have been promised some material in writing from them discussing certain limited features of the report, the written material has not yet come to me. In fairness, I must state that in a general way they challenge the accuracy of the findings of this labor report.

Unfortunately, Mr. President, I myself have not been able to carry on a sufficient investigation which would enable me to speak with certainty as to the accuracy of the conclusions stated in this labor report. But I must admit there are in the report two short paragraphs which, it seems to me, seriously challenge the figures of the Bureau of Labor Statistics.

In order properly to weight the factors in reference to the increased cost of food, it is necessary to consider many hundreds of different items, qualities, and categories and different conditions in many places in the United States. The weighting and measurement of the items going into the cost of living, so far as food is concerned, is a most difficult and, I may say, exhausting task. But the labor members claim their findings are supported by two sets of figures from other governmental bureaus. As I have already said, two short paragraphs, at least, bring to my mind the conclusion that the Bureau of Labor Statistics is upon the defensive; and until it answers these paragraphs my mind will not be satisfied.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AIKEN. I understand the report is not an official report of the committee, but is merely a report by the labor members of the committee. Is that correct?

Mr. DOWNEY. That is correct.

Mr. AIKEN. Does the Senator understand that the public members of the committee take issue with the labor members on the figures they submit in their report?

Mr. DOWNEY. I do not know whether that is the case. I understand that the report is not their report, so I presume they would not agree with it.

Mr. AIKEN. I only know from a newspaper account of the report that there was a difference of opinion in the committee.

Mr. DOWNEY. I thank the Senator.

Mr. President, I dislike to make any ex parte presentations. My experience has been as a trial lawyer having an antagonist sitting across the table, ready to point out my mistakes. I exceedingly dislike to present one side of the issue, and I regret I do not have contrary data available.

The first paragraph I should like to read is as follows:

In the case of food, our findings of an increase of 74.2 percent (compared to 40.2 percent indicated by Bureau of Labor Statistics) are confirmed by official Government data wholly independent of those used by Bureau of Labor Statistics.

Mr. BANKHEAD. Mr. President, will the Senator yield for a question?

Mr. DOWNEY. I yield.

Mr. BANKHEAD. Does the statement indicate what period was used as the base in determining an increase in agricultural prices? In other words, did they do as most of the agencies have done, use the lowest base for agricultural prices which has prevailed since the war—the period from 1935 to 1939?

Mr. DOWNEY. No, Mr. President; I understand that the comparison is made as between the prices existing January 1, 1941, and perhaps in October or November 1943. I have the entire report here. As I say, it is exhaustive, and is an exhausting report to read, and I have not yet been able to go over it. But I do not think the implications made by the Senator from Alabama are applicable.

I should like to read this paragraph without interruption, and then I should be very glad to have interruptions:

3. In the case of food, our findings of an increase of 74.2 percent (compared to 40.2 percent indicated by B. L. S.) are confirmed by official Government data wholly independent of those used by B. L. S. While consumer expenditures for food rose 70 percent during this period (Department of Commerce), civilian food consumption in terms of physical quantity declined by 3 percent (Department of Agriculture). Consequently, combining these two figures, the price per unit of food has risen 75 percent (170 divided by 97 equals 175).

In other words, Mr. President, this group of labor economists has ascertained from the Department of Commerce the total amount of money paid during some period of time—let us say, in the latter part of 1943—as compared to the total amount paid by civilian consumers over a similar period of time 3 years ago. Having compared that, then they have determined the actual amount of food consumed by the civilian population in the two periods. On the basis of that index it would appear that the price per unit of food has risen 75 percent.

When I discussed that statement over the telephone this morning with representatives of the Bureau of Labor Statis-

tics, I gleaned, I think, two principal objections which they had to the accuracy of that index. One is that the Department of Commerce and the Department of Agriculture, in figuring the amount of food available in the respective periods, and the amount paid for it, included liquor; and the Bureau of Labor Statistics has disregarded that item in figuring the cost of living. The statement was made that the cost of liquor has risen more than the cost of other foods, and that in any event it was not an item which should properly be calculated in determining the cost of living. I think the statement also was made that the Bureau of Labor Statistics does not take into account the increase in the price of food in hotels and restaurants, while the figures relied upon in the report do take that into account. The statement also was made that because of the shift of some persons from farms to cities, certain other factors entered into the situation, and that those factors militated against the accuracy of the figures.

Now I pass on to the next paragraph, which is as follows:

4. In the case of clothing, our conclusion that costs have risen by 72.2 percent, contrasts sharply with the B. L. S. estimate that retail clothing prices have risen only 33.7 percent. Our finding relies heavily upon a special study of price changes shown by mail-order catalogs of Sears, Roebuck & Co., and Montgomery Ward and Co. Independent Government data show that a finding of 72.2 percent increase is conservative. Department of Commerce figures report an increase in expenditures for apparel of 57.0 percent; Federal Reserve Board data indicate a decline in volume of 10.7 percent. Thus the unit price has risen 76 percent (157 divided by 80.3 equals 176).

Mr. President, upon inquiry of various agencies of the Government, I was told that for a late period in 1943, as compared with a similar period 3 years before, the actual amount of clothing being consumed by the civilian population was more than 10 percent less than it had been 3 years ago, while the Department of Commerce shows that the amount of money paid for clothing by the American people has increased 57 percent.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from California yield to the Senator from Vermont?

Mr. DOWNEY. I yield.

Mr. AIKEN. Has the Senator the over-all amount which has been paid for clothing?

Mr. DOWNEY. By civilians?

Mr. AIKEN. The higher quality of clothing purchased is undoubtedly reflected in the figures. For example, we see more fur coats on the working girls now than we have ever seen before. They have more money with which to buy them. They are buying better clothes than they ever bought before. I also understand that it is becoming more difficult to obtain low-cost clothing.

Mr. DOWNEY. The penetrating mind of the Senator has gone to the heart of this question. What he suggests, of course, should be considered. In order to determine the validity of these figures

we must know how the quality of the clothing now manufactured in the United States compares with the quality of clothing manufactured 3 years ago.

Mr. AIKEN. I am very glad that so many persons can afford better clothes than they ever had before; but, of course, that is reflected in the percentages of costs which are shown by the labor economists. Therefore the percentages do not show the increase which would prevail if the people had bought the same grade of goods, in the same quantities, that they bought, say, 3 years ago.

Mr. DOWNEY. While my mind is not as penetrating as that of the distinguished Senator, I immediately thought of the same question, that we must determine how the quality of all the clothes, at present, weighted together compares with the quality of the clothes sold 3 years ago. In the case of shoes everyone admits a marked deterioration. Some authorities claim that the shoes now being manufactured do not have half the wearing qualities of shoes manufactured 3 years ago. I do not know whether that statement is correct, but it comes to me with some authority.

It is generally agreed that while millions of individuals are buying clothing of a better quality than they bought 3 years ago, if we compare all the clothing now being manufactured in the United States with the clothing being produced 3 years ago, the quality has deteriorated rather than increased. It is true that many girls who were working, we will say, in textile industries and receiving the unhappy wage of \$18 a week, are now working in manufacturing establishments and may be making \$50 a week. They now wear fur coats instead of threadbare garments, and pay more for them.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. PEPPER. A few days ago the Director of the Bureau of the Census, Mr. J. C. Capt, appeared before a committee of which I am a member, and testified that, according to the figures of the Bureau of the Census for 1939, of all the people in the United States who received as much as \$100 a year and were employed, one-half the total number received less than \$1,200 a year compensation from wages or salaries. That was verified again this morning by Dr. Hinrichs, of the Bureau of Labor Statistics. That means that the gross income of half the total working population of the country, those who derived their income from either wages or salaries, was less than \$1,200 a year. I ask the Senator this question: If half of all the working people in the United States who receive wages or salaries receive a gross amount of less than \$1,200 a year, does he not agree that not many fur coats are bought in that group of our population?

Mr. DOWNEY. I agree with the distinguished Senator from Florida that not very many can be bought with such wages.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AIKEN. A large percentage of those receiving less than \$1,200 a year

now live on farms. The average which the Senator gives is for the whole country.

Mr. PEPPER. This morning Dr. Hinrichs assured us that those figures did not include farmers who do not receive either wages or salaries. It was testified that the 8,000,000 farm workers—proprietors, tenants, and others—were not included in the figures which I have just given.

Mr. AIKEN. The Bureau of Agricultural Economics states that about 10 percent, or 3,000,000 of all the people living on farms, are living on an income of less than \$130 a year for a family of four, and 10 percent more are living on less than \$430 for a family of four.

Mr. PEPPER. I think that is absolutely correct. That corroborates the point that the fur coats to which the able Senator from Vermont made reference are not being bought by the poorer elements of our population, and the war has not materially changed the status of those people, except, in some instances, to make them worse off.

Mr. AIKEN. That is very true. However, the figures which have been submitted to me show that 60,000,000 people in this country are now living on an average income of less than \$2,350 a year for a family of four. We regret that. On the other hand, I think we can take a certain amount of pride in the fact that 70,000,000 people in this country are now living on incomes of more than \$2,350 for a family of four. Of course, it is those people who are buying fur coats. However, we should not stop until we raise as many as possible of the low-income groups up to the point where they can have strawberries out of season and fur coats, too.

Mr. PEPPER. Does the Senator mean that 70,000,000 persons in the United States are receiving annual incomes in excess of \$2,350?

Mr. AIKEN. Per family of four.

Mr. PEPPER. The Senator does not mean that 70,000,000 families are receiving such incomes, because there are only about 30,000,000 families.

Mr. AIKEN. No. Seventy million people are living on incomes which average \$2,350 or more per family of four. That, of course, is a very high level of income for those people.

Mr. DOWNEY. Mr. President, I admit the logic of the question propounded to me by the distinguished Senator from Vermont. I wish to say to him that it is my information, after querying several departments of the Government, that if we weight all the clothing now produced in the United States against what was being produced 3 years ago, we find that there is a substantial deterioration in quality. Certain kinds of garments have been improved. Certain classes of people are wearing better garments. However, taking the people as a whole—the millionaire, the poor man, and everyone in between—the quality of their garments has deteriorated.

If the figures of the Department of Commerce and of the Federal Reserve Bank are correct, that there is 10 percent less clothing and we are paying 57 percent more for it, that means that

there has been a 75 percent increase in the cost of clothing. Bearing witness as one individual, let me say that, considering depreciated quality, I know that in the case of my family the cost of clothing has gone far beyond what the Bureau of Labor Statistics index seems to indicate.

Let me say to the distinguished Senator from Vermont that all he has to do is to consider some of the great industrial groups of New England and other sections of the country to realize how very correctly the Senator from Florida spoke in expressing sympathy for them. Prior to the war textile workers were receiving only \$18 a week when they could obtain work. Their annual incomes were not 52 times \$18. They probably did not receive annual incomes of as much as 75 percent of that amount.

Because of long hours of overtime, it is true that wages in the textile industry have gone up to an average of \$28 a week. But when we consider the deductions for taxes, and other legal withdrawals from the wages of such workers, very few workers in textile industries have as much as \$80 or \$90 a month left. In the fertilizer industry the situation is worse. In the shoe industry it is worse; and in the needlecraft industry it is worse.

When we talk about a nation rolling in wealth, with plenty of money to spend, let us realize that that may be true of many businessmen and many workers in the preferred groups; but it is not true of tens of millions of workers. Tens of millions of workers are trying to pay the increased cost of living with incomes of \$75 or \$80 a month; and with the prices now prevailing no family in America can exist in any kind of decency on such an income.

Mr. President, of course there are other groups in America now who are in such a destitute condition that even these classes of workers are by contrast fortunate. Our pension payments to the indigent, elderly people in the United States average little more than \$25 a month. The misery and the sacrifices which have been entailed upon our pension recipients by the increase of 23 percent in the cost of living should make any decent man weep.

In old-age insurance we are giving retired workers past 65 years of age an average of about \$23 a month, and they are trying to live on that. Yes; there are millions of people in the fixed-income groups, some of them whose supporters are in the service of the United States, some of whom are widows or dependents of veterans who have passed away, who are receiving incomes so small that they cannot live with any degree of comfort. If any of us here had to live on two or three times as much per month, we would die under the rigors of that kind of indecent living.

So when we lightly say that an increase of 25 percent in the cost of living has been overcome by increased wages, or that adding 7 percent to the cost of food will not make very much difference, we forget millions who are measuring out the pennies to buy a loaf of bread, who go to bed hungry every night, who are suffering from malnutrition, and

whose troubles are increased by every cent added to the cost of living.

I have no doubt, Mr. President, that in the United States today, counting the low-paid workers in our great industries, 40,000,000 or 50,000,000 people are on fixed incomes, our pensioners, and many others who are living under conditions of unhappiness which we can scarcely describe. To them a 23-percent increase in the cost of living—or 43 percent, if the labor groups are correct—is, indeed, most unfortunate.

Mr. President, it is all very well to say, "Take off the subsidy and let food go up another 7 percent" if you have enough money so that you do not have to go to bed hungry at the end of the day. But if you do not have enough, with prices even as they are, you will look with fear and trembling upon a 5-percent or 10-percent or 15-percent increase.

Lest anyone think that I am exaggerating, I assert that within the last 3 or 4 months I have talked with many pensioners whose situation is so unhappy, so filled with sacrifice and misery, that I do not want to express it. Anyone who knows that pensions are paid only to people who have no other way of living—and the average is little more than \$20 a month—dare not, in my opinion, deny the need which exists.

So, Mr. President, it is my intention to support the Maloney amendment. I think there are many grounds upon which it could be defended and supported. But the Senate is thoroughly familiar with the arguments, and I shall not intrude on the time of the Senate any further. I even regret that I have been compelled to state before the Senate dismal, melancholy, and unhappy facts. But they are facts, and they should be presented by someone.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AIKEN. The Senator has stated that he will support the Maloney amendment which would permit the payment of subsidies amounting to a billion and a half dollars. That would amount to about \$12.50 per capita. Does the Senator from California think that \$12 per capita given to all persons, including persons of very low incomes, in the event they got it—and they would not get it because the subsidies on meat and butter favor persons with high incomes—would be better than the payment of all the subsidy funds to the persons with small incomes? Does he think that persons with incomes of \$26.50 a month, which is the average for those receiving old-age assistance, would thereby be benefited more than they would be if a greater subsidy were given to them, and if we let persons earning \$3,000 or more pay their own bills?

I agree with the Senator in reference to the picture he has painted of the condition of approximately 20,000,000 low-income persons. However, I object to distributing one and a half billion dollars to approximately 130,000,000 people, when we should be channeling it directly to the assistance of the persons who need it most.

Mr. DOWNEY. I may say to the distinguished Senator that I am in agreement with him. I should prefer to see the incomes of the low wage earners and unfortunates of the Nation raised to some decent standard. Of course, that would be right. I would be in agreement with any kind of a proposal which the Senator would submit to accomplish that end. However, I see nothing of the kind in sight.

Let me say to the distinguished Senator that I am only taking the figures which the distinguished and beloved Senator from Alabama gave in showing that the elimination of subsidies would increase the food costs 7 percent. I realize the truth of what the Senator has said, namely, that most of the people to whom I have referred cannot buy any butter or milk. They are living perhaps on dry bread and beans. It is very possible that the subsidy would not help them as much as we hope. However, let me suggest that a certain group living above the level of subsistence, malnutrition, or starvation, would profit by the subsidies. Take for example the textile workers who, as I have said, have less than \$75 or \$80 left per family when they get through paying their bills. They would be helped by saving that 7 percent.

Moreover, I wish to say to the distinguished Senator that I am told by officials of the O. P. A. that if we now break the line on food prices the entire line will break and let through the inflationary flood. The Senator from Connecticut [Mr. MALONEY] has already expressed that situation very ably, and I agree with him.

Mr. AIKEN. I agree with the Senator, and I maintain that the only fair and workable policy is to extend the subsidy directly to those people who need it, and not contribute further to the threat of inflation by extending the subsidy to those who already have an adequate or excessive purchasing power.

Mr. DOWNEY. I understand the logic and the force of what the Senator is saying, and I agree with him.

Mr. AIKEN. In order to give 20 percent of the people the same help through a general overhead subsidy that they would receive through a direct subsidy we would have to spend five times as much. It would be necessary to appropriate and spend five times as much to subsidize 100 percent of the people as to subsidize 20 percent of the people the same amount.

I maintain that all this planning for an overhead subsidy is not going to be of adequate help to the low-income group who receive from \$20 to \$40 a month. This group includes veterans of the Spanish-American War; it includes a very large number of veterans of the last war; it includes dependent children; it includes 2,200,000 old-age pensioners; it includes approximately 400,000 widows who are living on annuities which have been bought during past years; it includes a certain number who have benefited under the Federal old-age insurance plan. I think we are doing a great wrong when we insist on subsidizing 75 or 80 percent of the people who are not

in the low-income class, although some of them, in fact a good many of them, are on the border line, in order to help the few who are desperately in need.

I had a letter this morning from a woman with five children who was struggling desperately to get along. She does not know where her husband is and she is afflicted with some kind of nerve paralysis. She is not responsible fully for her present condition; she did not bring on this war; she did not have anything to do with increasing the cost of living. We should help people such as she. We should not be spending billions of dollars to subsidize Park Avenue and people who patronize the large downtown hotels in Washington and New York and who go to night clubs. Yet that is what we are doing. When the roll-back was put on meats the price of porterhouse, tenderloin, and the best ham was reduced 11 cents a pound, but the lower-priced cuts of meat were rolled back from nothing up to from 3 to 3½ cents a pound and the price of soup bones was not rolled back at all.

Mr. DOWNEY. I do not want to occupy the floor too long; I have already occupied it longer than I had intended to. Let me say that I think what the distinguished Senator has said is pertinent and persuasive; but we have not covered the entire case.

I must say to the distinguished Senator, however, that I would rather not engage further in this colloquy, because the able arguments the Senator is making involve the whole subsidy issue that has been threshed out by all of us, and I do not want to burden the Senate by repetition.

Mr. AIKEN. Mr. President, there is one more comment I should like to make. The Senator from California is obviously and rightly in favor of raises to low-salaried people. However, that would be far from a solution, because, as of October, 10 percent of all the families in the United States had no wage earners in the family. Some of them undoubtedly were wealthy people, but most of them undoubtedly were very poor. So, by raising the wages of underpaid firemen, police, and school teachers, we would not meet the problem fully because there are so many families that have no wage earners at all.

Mr. DOWNEY. I appreciate all of what the Senator has said, and I applaud most of it.

Mr. AIKEN. I am sure that the Senator and I both have the same objective, which is to assure a decent living to every deserving person in this country.

Mr. DOWNEY. I am sure that is true.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield to the Senator from Alabama.

Mr. BANKHEAD. I regret that I did not have the privilege of hearing all that my good friend the Senator from California said. I know his heart is right; I know his sympathy and interest is with the poor and the suffering, and I know that he does not want injustice done to any workingman; but as I left the Senate Chamber, I heard the Senator read an extract from a report which I under-

stood was about to be issued. I ask if it has been released?

Mr. DOWNEY. It was released by the labor members; yes.

Mr. BANKHEAD. By the labor members?

Mr. DOWNEY. Yes. The Board claimed it was a premature release, because the Board was not ready to release it. That is correct.

Mr. BANKHEAD. I do not know what probative effect a release of that kind is entitled to.

I am sympathetic with labor. I believe in good wages; I believe in good prices; I believe, in view of the great debt owed by the Government, that we will have to operate on a higher-priced economy than we have in the past, until we have an opportunity to collect taxes sufficient not only to serve the large debt but to reduce it. I do not think that can be done in a depression type of economy.

I merely desire the RECORD to be clear so that the figures the Senator has presented, ex parte figures which do not correspond with or represent the sentiments of the War Labor Board, so far as we know and so far as there has been any expression, may not go unchallenged. I do not want the statement to influence the subject of subsidies, though it may have proper effect when the question of wages is considered.

I said here today that there was no direct result or connection between wages of labor and the subsidy question, because the subsidy involves such a small proportion of the income that labor is now receiving that I do not consider it as being essential to the proper and fair adjustment of labor's wages. But I doubt if today's proceedings should close and the CONGRESSIONAL RECORD should go all over the country if it is likely to leave the impression that this partial report, this incompleting, undigested, and unapproved report of the War Labor Board is accepted as a basis for showing the cost of living at this time when it is so far out of line with the figures prepared by the official statistical agencies of the Government.

Mr. DOWNEY. Mr. President, I regret the distinguished Senator did not hear all my remarks, because I think I qualified my statement so that no one reading the RECORD could misunderstand. The figures presented by me are from the labor members of the War Labor Board. They do not represent the report of the War Labor Board. They are contradicted by the Bureau of Labor Statistics. I cannot at this time vouch for their accuracy. They were put into the RECORD with the hope that we in the Congress will later have this issue very clearly presented to us. I think properly the Banking and Currency Committee could undertake to do that. I did discuss one particular paragraph, which, I may say to the Senator, carried conviction to me, but my mind is still open on it. Very possibly there is some explanation to show why these figures do not represent the conclusion drawn by the members of the Labor Board. I discussed that at some length while the Senator was absent.

Mr. BANKHEAD. Mr. President, I have in my hand a news article sent from Washington to the New York Times, which we all recognize as a great newspaper, one which endeavors to report the facts correctly, whether its editorials are sound or not. Sometimes, from my standpoint, they are sound, sometimes totally unsound—generally unsound on matters affecting the farmer and agriculture.

Mr. Charles W. Hurd, one of their responsible correspondents in Washington, on January 29 sent to the New York Times a statement concerning the figures which the Senator from California has quoted. I have not really read all the article, but I have read enough of it to wish to bring it out in public as a statement of fact by a responsible correspondent for a highly responsible newspaper on this subject, so that at least both sides will be presented, the side of the representatives of labor, and that of the representative of a great newspaper.

Mr. DOWNEY. Mr. President, I should have no objection to the Senator inserting the article in the RECORD to follow immediately the portion of the document I inserted. I offered only the summary. I shall be very glad to have the Senator's material follow that. I think that is most advisable.

Mr. BANKHEAD. I shall refer to a few lines from the article. I do not wish to take time needlessly, but I should like to have the Senators who are listening get some idea of Mr. Hurd's statement.

Mr. DOWNEY. I suggest that I yield the floor. I am through, and shall be glad to have the Senator take the floor.

Mr. BANKHEAD. I shall read some of the article, and then ask to have it incorporated in the RECORD for information. I do not vouch for it.

The article is dated Washington, January 29, and reads:

The labor members of the Presidential Committee on the Cost of Living stated in a report today that living costs had risen 43.5 percent since January 1, 1941, instead of 23.4 percent as given by the Bureau of Labor Statistics of the Department of Labor.

The labor members of the five-member committee are R. J. Thomas, president of the United Automobile Workers, C. I. O.; and George Meaney, secretary-treasurer of the American Federation of Labor. The committee is headed by William H. Davis, Chairman of the War Labor Board, and the report of the labor members was submitted to him.

The report by the labor members drew quick response from the industry members of the committee and from A. F. Hinrichs, Acting Commissioner of Labor Statistics.

Mr. Davis also commented in a statement, saying that the report was "not in any sense a report of the committee."

The Senate subcommittee which is studying the economic problems of white-collar workers said that it would probably meet next week to hear the reply of the Bureau of Labor Statistics to the report by the labor members of the President's committee.

The industry members of the President's committee, H. B. Horton, treasurer of the Chicago Bridge & Iron Co., and George K. Batt, vice president of Dugan Bros., Newark, N. J., made clear that the committee had taken no final action and that "the committee is under the responsibility not to

make a final report to the President and to the public until careful consideration has been given to all the relevant data."

Mr. Hinrichs called attention to a survey made in October by an impartial committee of experts headed by Prof. Frederick C. Mills, of Columbia University, which "after months of careful study found that the index of the cost of living does satisfactorily measure changes in prices."

"Surely," Mr. Hinrichs declared, "if they had evidence that food prices, for example, have gone up twice as rapidly as is indicated by the figures of the Bureau of Labor Statistics, this fact would not have escaped the attention of this committee of experts."

The report of the labor members declared that the index of the Bureau of Labor Statistics was worthless as a gage in adjusting wages to the cost of living, and it contended that there was "a discrepancy of 28.5 percent between the rise in living costs and the wage adjustments (15-percent rises) allowed under the Little Steel formula."

Mr. President, I ask unanimous consent that the whole article be incorporated in the RECORD following summary submitted by the Senator from California.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, I should like to ask the junior Senator from California a question.

I am interested in producing meat in Nebraska. If the amendment which has been proposed by the senior Senator from Connecticut [Mr. MALONEY] shall be agreed to, it will legalize the consumer subsidy, it will legalize the subsidy which is now being paid to processors of meat. Up to this time, at least, there is no legal authority for it. If it shall be legalized, Congress will foreclose whatever color of title we now have to contend that the subsidy which is being paid as a roll-back should go the other way, to producers. So the amendment is vital to all of us from the States which produce beef, because if the consumer subsidy is legalized, under the amendment which is now being considered, if it shall be agreed to, it will mean that it will foreclose any chance we have to see that the subsidy is turned the other way, as we think it should be, and go to the cattleman in the beef-producing State as a production subsidy.

I am leading up to a question to the Senator, because he comes from a State where there is a good deal of production of beef cattle, just as there is in my State. I wish to acquaint the Senator, further, with the fact that after consumer subsidies were made available, in June, the prices of double A beef cattle at the Chicago market dropped more than \$1 a hundred, and the price is still under \$16. I think the top price now is \$15.75, the theory being that \$15.75, which is the top price now, includes the subsidy of \$1.10 a hundred, which should go to the producer.

I am sure the Senator will find the statements I have made to be accurate, if he will take the time to investigate. If we now adopt the proposed amendment, at least until new legislation shall be enacted, it will bar the cattle producer from getting \$1.10 a hundred as a subsidy, which would put him back on

the same basis on which he operated in June 1943.

I ask the Senator whether it is not just as important to consider the cattle producer of California as to consider the consumer, if what I have said be true, and I am asking the Senator, for information, whether he does not feel that if this amendment shall be adopted we will foreclose the producer from getting any additional price for his beef.

Mr. DOWNEY. Mr. President, I might say to the distinguished Senator that I regret taking any more time of the Senate on this particular matter. The Senator from Nebraska raises a wide subject for discussion, but I do not want to be drawn into any further argument at this time. There are issues here on which men can argue for hours. We have argued them for many days heretofore, so I am not willing to answer further questions.

Mr. WHERRY. The Senator will not yield further?

Mr. DOWNEY. I yield the floor.

Mr. TAFT. Mr. President, I wish to say only a few words today on the subject of the basis of the present subsidy program. One reason why I shall certainly vote for the bill, even if it is not amended, is that I feel that the payment of subsidies and the assumption of the right to pay subsidies is a usurpation of authority which Congress has never granted. I do not want to be technical, but it seems to me clear that this whole program has been assumed by the Executive, up to the expenditure of \$1,500,000,000 a year, without any authority whatsoever from Congress. That perhaps is a broad statement, because some of the subsidies, for example, two or three hundred million dollars paid by the Commodity Credit Corporation in the purchase and sale of feedstuffs at a loss, is justified under the Commodity Credit Corporation Act. But the important, the large subsidies, are the roll-back subsidies paid by the Reconstruction Finance Corporation, and the so-called feed-milk subsidy by which the Commodity Credit Corporation pays each farmer a subsidy.

I do not think there is any legal authority for any of those subsidies. That includes the meat subsidy, the butter subsidy and the wheat-flour subsidy paid by the R. F. C., and the so-called milk subsidy paid by the Commodity Credit Corporation.

The authority claimed for the R. F. C. is under the Price Control Act. That act provides in section 2 (e) as follows:

(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be neces-

sary to obtain the maximum necessary production thereof.

That was an authorization measure when we passed it, and I had something to do with it, because I myself believe that it is desirable to have some power to pay subsidies when attempt is made to control prices in certain special cases, where two or three times your money's worth can be obtained by paying them. But certainly it was clearly intended that such a program should not be carried out without an appropriation by Congress, and I have no doubt if we examine the debates which took place when that matter came up, it will be found that it was intended that Congress merely provide an authorization, and if that authorization was to be acted upon as in every other case, the Administrator would be obliged to come back to Congress and obtain authority to make the payments.

What was done? The Price Control Act covered all sorts of metals. The R. F. C. has already been paying subsidies on metals, on copper, and other metals. So we provided as follows:

Provided, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d.

That is to say, by the R. F. C. The intention in agreeing to that provision was to say that the Price Administrator would have nothing to do with minerals, strategic and critical materials, but that would be handled by the R. F. C.

When administration officials wanted to pay subsidies, and did not want to come to Congress to get the money with which to pay them, the President proceeded to issue an Executive order finding that beef and butter, and later on wheat, were strategic and critical materials, and therefore they could only be sold and handled under section 5 (d) of the R. F. C. Act, and by the Reconstruction Finance Corporation. That certainly was not intended. It may be legally possible that that can be done, but it certainly was a direct attempt to evade the provisions of the act, which would otherwise have required the Administrator to come before Congress in the usual manner and obtain appropriations for payment of subsidies. Even then the official had this hurdle to get over. These subsidies can only be paid to domestic producers of such commodities, and in order to get around that they got the Attorney General to rule that a miller is a producer. Of course, that was not intended. The producer was meant to be the farmer. The producer of agricultural products was the farmer. But the Attorney General was prevailed upon to

rule that the miller was a producer of flour, and therefore the subsidy could be paid to the miller. The ruling was made that the packer was a producer of meat, if you please, and therefore the subsidy could be paid to the packer, instead of to the original producer of the cattle. That practice was continued, even after Congress made it clear that it did not approve of subsidies. Perhaps it was continued because Congress made it clear it did not approve of them. That was shortly after the bill was passed.

Senators will remember that another bill was pending in the Senate at the time. It was opposed by the senior Senator from North Carolina, and was revised so as not to give any further authority or provide appropriations for subsidies. In order to avoid that, the machinery of the R. F. C. has been used—the R. F. C., which has billions of dollars given it for entirely different purposes—in order to pay a direct subsidy, which is a direct loss and an out-of-pocket expense to the Government, which is not in line with the R. F. C. powers, and which is far beyond the purposes of the Reconstruction Finance Corporation Act.

It seems to me perfectly clear that the Administration has usurped the power to pay subsidies to the extent of a billion dollars, and I think Congress should now clearly say, "You cannot pay subsidies unless you come down here and obtain from Congress express authority and express appropriation for the subsidies you wish to pay."

The second point I wish to make as to the illegality of subsidies is with reference to the so-called milk-feed subsidy. Suddenly, last fall, the Administration announced it was going to pay to every farmer a certain number of cents per hundred pounds of milk and a certain number of cents per pound of butter for the milk and butter which each farmer sold during each month, and that the farmer could go into the A. A. A. office in his county seat on a certain day, just the way he used to go to get the A. A. A. payments, and could present his receipts and could get a check from the A. A. A. That milk-subsidy program is infinitely more expensive than the subsidy plan which has been pursued in one or two urban districts. In my opinion, its purpose has been largely a political one. I think it is an effort again to give the A. A. A. some checks to hand out, so that it may have with the farmers some of the political influence it lost after parity payments and soil-conservation payments were largely discontinued.

Furthermore, there is no authority whatever under the Commodity Credit Corporation Act to make subsidy payments. When Mr. Hutson, the head of the Commodity Credit Corporation, was before our committee, I asked him, "What legal authority have you to make these subsidy payments?" He could not say then, and I have not yet heard any adequate answer. I think those who support subsidies should come before the

committee tomorrow and state what possible authority the Commodity Credit Corporation has to make gratuitous payments to some 3,000,000 farmers throughout the United States for the production of the milk and butter they choose to produce.

The Commodity Credit Corporation was established with power to buy and sell foodstuffs. That gives it, incidentally, an indirect power to pay subsidies, because it may buy foodstuffs at one price and sell them at a lower price, and thereby may subsidize a producer or subsidize a distributor. But it has no power I am aware of to pay direct cash subsidies to 3,000,000 farmers. However, that is what it is doing. It is making the same kind of payments which were made under the old parity payment law or the soil-conservation law, except that those payments were expressly authorized by Congress. If Congress had not authorized them, no one in the world would have claimed they could have been made.

Now we are confronted with the payment of the subsidy by the Commodity Credit Corporation to milk farmers, or to practically every farmer who has a cow and who sells any milk, without, so far as I can determine, any legal authority of any kind at all.

Mr. President, under those circumstances it seems to me we should begin at the beginning, and should decide whether we wish to authorize subsidies. Certainly, I am not willing to vote for a general amendment such as the one offered by the Senator from Connecticut, which proposes, in effect, that we provide for the payment of \$1,500,000,000, and ratify and approve everything that has been done, and say, "You can go on just exactly as you have been going on." That is what the adoption of the amendment would mean.

Incidentally, Mr. President, the \$1,500,000,000 which is proposed is, I think, far more than is really necessary. The figure is a little greater than that, because it includes feed wheat, which makes approximately \$1,550,000,000 of authority, as compared to the figure of \$1,100,000,000 which was submitted to us by Chester Bowles, in December, as being the amount he was paying, and the figure of \$1,219,000,000 which was submitted to us by Marvin Jones at the meeting referred to by the Senator from Connecticut, held during or just after the Christmas holidays. So the amendment actually proposes to authorize the payment of approximately \$330,000,000 more than the Administrator himself is now paying under his present program.

The amendment I propose to submit later has two purposes. One is to provide for a smaller amount, because my own belief is that we should approve a reasonable payment of subsidies, but should limit the amount, so that the administration will have to select only the subsidies which really will produce results, and so that more money will be gotten back than will be paid out, and, finally, so that the type of subsidies paid will be limited.

The amendment I shall propose provides that before a subsidy can be paid, a price must first be guaranteed to the farmer, so that the price cannot be rolled back in the way the meat subsidy is said to have been rolled back on the producer. The second thing my amendment would do would be to provide that an amount per unit be paid, so that we would not be up against the problem of passing on the profits of every food processor and every manufacturer in existence. I shall explain the amendment later at greater length. At the present time I merely wish to say that it seems to me we must define the subsidies we wish to have paid.

I think this particular method of paying a milk subsidy which will cost approximately \$300,000,000 a year is away beyond anything we should do or that it is necessary to do in order to help hold down the price of milk or to encourage the production of milk.

I also feel very strongly that the beef subsidy and some of the other subsidies should be discontinued unless a support price for beef, for instance, can be put into effect. If that can be done, so that with the fixed price for production the subsidy actually will represent the margin between the amount received by the producer and the amount paid by the consumer, then I think there is something to be said for the subsidy.

I, myself, do not approve of subsidies which cost as much as the entire saving to the consumers. If a program to save \$100,000,000 to the consumers involves a cost of \$100,000,000 to the Government, I do not see why we do not let the consumers pay the cost in the first place. I think it is more inflationary to pay such a subsidy, because the Government will have to borrow the \$100,000,000. It will have to borrow the money from the commercial banks, because we have already exhausted our borrowing market with individuals. Then we will have an additional debt of \$100,000,000 created, and that will hammer the price structure, and will make it more difficult to maintain it.

The only subsidy which I think is justified is under the following conditions: If we can, by paying a subsidy of \$20,000,000, save the public perhaps \$100,000,000, then I perhaps can see some object in it. If we desire to subsidize the cost of peanut oil and soybean oil, and if by doing so we can increase the production of those commodities, and still can avoid the necessity of increasing the price of lard and perhaps of cottonseed oil and other oils, then it may be that by paying a small subsidy on one product of that kind we can hold down the whole price, and can save the consumers three or four times that amount.

Undoubtedly, in the case of the copper subsidy we save the Government perhaps 10 times what we pay to the producers of copper. There are some cases in which I think similar savings can be made. I think we have paid subsidies so often that I have no objection on principle to them. But I believe that by paying the consumer a subsidy and consequently taking out of the Treasury

dollar for dollar what we pay the consumer, such a procedure is more inflationary and more dangerous than it would be to let the consumer pay the increased price.

So, Mr. President, it seems to me that I should vote against the pending amendment; and it seems to me that when the Senate does adopt an amendment, it should limit the subsidies which will be paid and should limit the amount to a much greater extent than it would be limited under the pending amendment.

Mr. BARKLEY. Mr. President, I did not rise to discuss the amendment. I wonder if we cannot now obtain a vote. Has the Senator from Ohio concluded?

Mr. TAFT. I have finished.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. MALONEY], as modified.

Mr. MALONEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, I should like to speak for 4 or 5 minutes before the vote is taken.

The Senator from Connecticut has offered his amendment and has made an argument against inflation. He appeals for subsidies on the ground that subsidies will tend to prevent inflation. I know that we all dislike inflation, though we realize that we are bound to have it to a certain degree.

I should like to read to the Senate some excerpts from the testimony of the Secretary of the Treasury, Mr. Morgenthau, and his assistant, Mr. Paul, before the Committee on Ways and Means of the House of Representatives on October 4, 1943. On page 4 of the hearings the Secretary stated to the committee:

From a statistical standpoint, we know where the bulk of the new money lies, and where, therefore, lies also the greatest danger of inflationary pressure.

Today, four-fifths of all the income of the Nation is going to people earning less than \$5,000 a year. And except for the people earning no more than a bare subsistence wage, this group presents the greatest potential danger from the inflationary standpoint. The weight of the inflationary money in the hands of this group can cause undue price rises, and can completely upset our entire economic system, unless absorbed in sufficient quantity.

On page 8 of the same report, Mr. Morgenthau says:

As I have indicated, the exemptions suggested are \$500 for single persons, \$1,100 for married persons, and \$300 for each dependent.

In order to drain off this excess purchasing power, he recommended additional taxes for the very low income brackets. I certainly do not agree with him.

On page 24 of the same report, Mr. Paul said:

The Treasury has been borrowing heavily at commercial banks.

Farther down the page I find the following:

War financing through banks is recognized everywhere as dangerous, since it leads di-

rectly to an increase in the cash assets held by the public. When a bank buys bonds it commonly sets up a "war loan account" payable to the United States Treasury. This process increases the cash assets of the Treasury, but, obviously, the bank has no right to dock any customer's account because the bank has bought bonds—

And so forth. On page 25 he said:

For the current fiscal year Americans will have nearly \$15 of spending power, after taxes are taken out, for every \$10 worth of goods available.

The Secretary of the Treasury insists that the excess purchasing power in the hands of four-fifths of our people must be drained off if we are to avoid inflation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. MALONEY], as modified.

Mr. BANKHEAD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Radcliffe
Austin	Green	Reed
Bailey	Guffey	Revercomb
Ball	Gurney	Reynolds
Bankhead	Hawkes	Robertson
Barkley	Hayden	Russell
Bilbo	Hill	Shipstead
Bone	Holman	Smith
Brewster	Jackson	Stewart
Brooks	Johnson, Colo.	Taft
Buck	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Langer	Thomas, Utah
Butler	Lucas	Tobey
Byrd	McClellan	Truman
Capper	McFarland	Tunnell
Caraway	McKellar	Tydings
Chandler	Maloney	Vandenberg
Chavez	Maybank	Wagner
Clark, Idaho	Mead	Wallgren
Clark, Mo.	Millikin	Walsh, Mass.
Connally	Moore	Walsh, N. J.
Danaher	Murdock	Wheeler
Davis	Murray	Wherry
Downey	Nye	White
Eastland	O'Daniel	Wiley
Ellender	Overton	Willis
Ferguson	Pepper	Wilson

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. DANAHER. Mr. President, in Dun's Review for November 1943 there appeared an article entitled, "Use of Subsidies as an Aid in Control of Prices During Wartime." In connection with the article there was appended an exhibit entitled, "Government Subsidies." It listed those being paid for food, and those for nonfood, by commodities, by paying agencies, and by cost. I later checked the data which appeared in the table, and I find that there has been compiled a schedule which will afford at a ready glance a very complete summary of the entire situation. As of December 25, 1943, there was compiled a table entitled, "Subsidies at a Glance—How They Work, to Whom They're Paid, and Why."

I ask unanimous consent that the entire schedule be printed in the RECORD at this point in order that the data may be available for the study of the Senate.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

Subsidies at a glance—How they work, to whom they're paid, and why

Program	Paying agency	Why subsidized	How subsidized	Paid to	Annual cost	Direct savings
					<i>Mil. of dol.</i>	<i>Mil. of dol.</i>
Aluminum products	D. S. C.	To bring in marginal producers	Buy output of high-cost producers above prevailing price.	Manufacturer	6	16+
Apples	C. C. C.	To cover high transportation costs of away-from-market producers.	Pay additional transportation costs	Shipper	4	30
Butter	D. S. C.	To roll retail prices back to September 1942 level.	Pay 5 cents per pound at creamery	Creamery	82	92
Canning fruits and vegetables.	C. C. C.	To compensate for higher costs	Buy pack, resell at loss; also compensate for increased wage costs.	Cannery	27	33
Cheddar cheese	C. C. C.	do	Buy output from manufacturers at 27 cents per pound, resell at 23 3/4 cents ceiling.	Manufacturer	29	40
Chilean nitrate of soda.	D. S. C.	To compensate for increased wartime shipping costs.	Buy nitrates at \$37 per ton, resell for \$30.	Importer	7	11
Coal	D. S. C.	To offset increased transportation costs to east coast.	Pay cost differential between pre-war and war routes.	Consignee	25	125+
Copper, lead, zinc	M. R. C.	To bring marginal mines into production	Pay premiums to high-cost producers above specified quotas.	Producer	80	1,000
Corn price adjustment.	C. C. C.	To induce movement of yellow corn to East and Southeast where price ceilings are lower.	Pay 5 cents per bushel to sellers who ship from corn areas to East and Southeast.	Corn Belt seller	5	15+
Dairy feed	C. C. C.	To compensate for increased feed and labor costs.	Pay farmer 30 to 50 cents per hundredweight for whole milk or 4 to 6 cents per pound for butterfat.	Farmer	200	250
Dried beans	C. C. C.	To encourage production	Buy at price higher than ceiling, resell at loss.	Country shipper	10	14
Flour and bread	D. S. C.	To compensate for rise in wheat prices	Direct payment to miller	Miller	100	125
Fluid milk (in 4 urban areas).	C. C. C.	To compensate for increased prices paid to farmers.	Direct payment to distributor	Distributor	5	8
Imported metals	M. R. C.	To offset wartime transportation costs	Buy imports at above-ceiling prices, sell at loss.	"Buy and resell"	25	125+
Jewel bearings	D. S. C.	To offset higher cost of domestic production	Buy domestic output at cost plus 6 percent, plus certain development expenses.	Producer	8	18+
Meat	D. S. C.	To roll retail prices back to September 1942 level.	Direct payments on live animals slaughtered.	Slaughterer	436	591
Miscellaneous domestic ores.	M. R. C.	To encourage domestic production of arsenic, beryllium, chrome, cobalt, etc.	Pay marginal costs, also fees.	Producer or Government agent.	25	125+
Nicotine sulfate	A. M. A.	To divert low-grade tobacco to nicotine sulfate production.	Government absorbs about 50 percent of the higher raw material costs.	Nicotine sulfate manufacturer.	2	4
Peanuts	C. C. C.	To encourage production of peanuts and peanut oil.	Buy peanut crop above ceiling price, resell at loss to peanut crusher.	Peanut crusher	10	10+
Peanut butter	C. C. C.	To roll retail prices back to September 1942 level.	Direct payment to manufacturer on civilian output.	Manufacturer	15	22
Petroleum	D. S. C.	To offset increased transportation costs to east coast.	Pay cost differential between pre-war and war routes.	Consignee	100	390
Potatoes	Department of Agriculture.	To encourage production	Pay 50 cents a bushel for normal yield on all acreage planted between 90 and 110 percent of goal.	Farmer	25	125+
Prunes and raisins	C. C. C.	To offset increased prices paid by packers to growers.	Buy pack at higher-than-1942 price; resell at loss.	Packer	13	19
Soybeans	C. C. C.	To expand soybean oil output.	Buy soybeans and resell at loss.	Processor	10	24
Sugar transport	C. C. C.	To offset increased shipping costs	Pay increased shipping costs; also buy sugar; resell at loss.	Importer and "buy and resell."	43	143+
Sugar beet	C. C. C.	To encourage production	Pay \$150 per ton to processor for higher price to growers.	Processor	11	111+
Tires	D. S. C.	To utilize extra passenger-car tires	Buy from private-car owners, resell at loss.	"Buy and resell"	20	120+
Truck crops	Department of Agriculture.	To encourage production	Pay \$50 an acre on all acreage between 90 and 110 percent of goal.	Truck farmer	6	16+
Wheat for feed	C. C. C.	To keep down costs of feedstuffs	Sell wheat to feeders at not less than corn parity.	"Buy and resell"	68	168+
Wood pulp	D. S. C.	To utilize (1) inferior grades of wood pulp and (2) marginal paper mills.	Pay increased costs of mills using bleached sulfite wood pulp.	Mill	1	20

¹ No direct estimate available; savings figure shown is equal to estimated cost of program and is a minimum.

Mr. GEORGE. Mr. President, I do not know how long the leader desires to continue the debate this afternoon. I had expected to say a few words on this subject before the vote, but I had not expected to do so until tomorrow. If it is the desire of the Senate to vote at this late hour, I can say now what I wish to say. I do not know that I shall take more than a few minutes. However, I cannot promise that, because I have not had an opportunity to prepare what I had to say.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. It had been my desire, as well as the desire of many other Senators, to vote on the Maloney amendment today.

Mr. GEORGE. The Maloney amendment would probably end this whole debate in the event it were agreed to.

Mr. BARKLEY. If it should be agreed to it probably would.

Mr. GEORGE. That is the reason why, if the matter should go over until tomorrow, I should not wish to take more than 10 or 15 minutes.

Mr. BARKLEY. I may say to the Senator that many Senators are anxious that the entire bill be disposed of tomorrow if possible. A number of Senators on the other side of the aisle contemplate journeys here and there for the purpose of celebrating the anniversary of Lincoln's birth on Saturday, and they do not want the Senate to be in session for any part of this week after tomorrow, if possible. I should be entirely agreeable to a limitation on debate beginning tomorrow. I have conferred with Senators on both sides of the Chamber, and it seems possible to make such an agreement. However, some Senators do not want to enter into such an agreement tonight, but prefer instead to wait until tomorrow. I do not wish to discommode the Senator from Georgia or embarrass him in any way. However, I will state frankly that I do not want this entire matter to go over beyond tomorrow unless we can reach an agreement as to when we should finally vote upon the bill.

If the Senator from Connecticut is successful in having his amendment

agreed to that would practically end the matter because his amendment is practically a substitute for the bill which has been reported to the Senate, and we could probably dispose of the measure very speedily after the vote upon his amendment. For that reason I thought we might vote today. I did not know that the Senator from Georgia contemplated making any remarks on the subject. However, I shall accommodate myself to the wishes of the Senator from Georgia.

Mr. GEORGE. I do not care to take more than 10 or 15 minutes at most, but I do wish to speak on the Maloney amendment, because it is the heart of the debate.

Mr. BARKLEY. Perhaps the Senator will have more listeners now than he would have tomorrow because we all know how difficult it is to get Senators here early in the day. Whatever the Senator wishes to do is agreeable to me.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHITE. May I inquire of the majority leader if it is not possible to work out some arrangement by which voting on the bill and amendments thereto may be deferred until the first of next week? Saturday is the anniversary of Lincoln's birth. From time immemorial Members on this side of the aisle as well as Members on the other side of the aisle have attended Lincoln Day gatherings throughout the length and breadth of the country. Many Senators made commitments some time ago. I had hoped that we might have an arrangement by which we could continue the debate tomorrow, with the understanding that there would be no voting, and then we could take a recess until Monday under an agreement for limitation of debate.

Mr. BARKLEY. The Senator knows the result in the Senate when an agreement is made to continue with the debate and not take a vote. The result is that Senators debate to empty seats. Today is only Wednesday, and tomorrow will be Thursday. I am not in charge of the Lincoln Day celebration. I might say, however, that some years ago I made a very good speech on Lincoln in the Senate, and I commend it to my Republican friends who expect to journey away from Washington to address the populace on the subject of Lincoln. If we have an understanding that we will debate tomorrow but not vote on anything until Monday, the Senator knows what will happen. There will be the greatest exodus since the children of Israel were led through the Red Sea by Moses. Many Senators will leave.

We ought to dispose of the Maloney amendment. Senators are not leaving the city tonight to keep their appointments on Saturday.

Mr. WHITE. That is true.

Mr. BARKLEY. They will leave tomorrow to keep their appointments on Saturday. Certainly we ought to dispose of the bill tomorrow if we cannot do so tonight.

Mr. WHITE. I am perfectly willing to stay in session tonight until the Maloney amendment is disposed of. I think many Members on this side of the Chamber would be willing to do so because of their anxiety to be certain of getting away tomorrow in order that they may keep appointments which they have made.

Mr. BARKLEY. I will say to the Senator from Georgia and to all other Senators that, as we know, the present extension of the Commodity Credit Corporation expires on February 17. Whatever is to be done ought to be done by that time. If the Senate should concur in the House bill with the amendments of the Senator from Alabama, as has been said already, that action would probably result in a veto. In my judgment, the veto would be sustained. Then we would have to start again to do whatever we were going to do to extend the Commodity Credit Corporation and pass whatever subsidy legislation it would be possible to pass in the two Houses. So that the time limit is upon us, and the sooner we dispose of the pending matter the better condition we will be in to deliberate on what Congress is finally to do.

The Senator from Georgia indicates his willingness to proceed now.

Mr. GEORGE. Mr. President, I am willing to proceed, not that I am prepared to say anything on the question this evening. I had hoped to make an investigation to refresh my recollection on some points and take up the argument tomorrow, but it is such an important matter that I am not willing that the Senate come to a vote on what I refer to, with all due respect, as the Maloney amendment, the amendment offered by the distinguished senior Senator from Connecticut to the bill, without saying a word.

Mr. President, the adoption of this amendment would, in my opinion, end the whole debate on this question, and would commit the Congress to a wide-open subsidy program, beginning with \$1,500,000,000 a year. In my opinion, that is not a decision which should be taken lightly. But if the Senate desires to commit itself to that program, of course, it may do so; it has the power to do so; but real inflation in this country is yet ahead of us.

There has been no extraordinary increase in prices. There has been an extraordinary increase in wages. In the very beginning there was an effort to tie wages and prices together, but Congress rejected the proposal. We were told that wages could not be controlled by the Price Control Act, that that was a decision better left to the executive branch of the Government. We finally acquiesced in that decision. There has been no extraordinary rise in prices. There has been no extraordinary rise in the cost of living. There has been a considerable depreciation in the value of currency, deliberately brought about, as a matter of public policy, by the Congress, but we do face an inflation in this country, and what is proposed is the first step toward real inflation.

Unquestionably there may be those in the country who should be given the benefit of a subsidy, but not all the American people. The broad statement, the unqualified statement, that all the one-hundred-and-thirty-odd million American people are entitled to a food subsidy, a consumer subsidy, at this time, is sheer nonsense. It is worse than that, it is transparent hypocrisy, it is politics of the rawest kind. Frankly, it is appeasement, because we are warned repeatedly that if we break the line, then labor is going to demand a constantly increasing wage. If Senators care to, they may vote for any type of appeasement, but the moment they do, they are really opening the floodgates for inflation.

We are reminded to hold the line. I do not say that labor is getting too much, and I do not think it is necessary to appease labor, because the wages of labor on the whole are not out of line with the cost of living. There may be inequities and special hardship situations with respect to farm prices, agricultural prices, food prices, and wages, but those inequities should have been met, as we contemplated when considering the original price-control bill that they would be

met, by specially considering those cases of inequity, and of hardship. We are now confronted by a bald proposition to approve wholesale consumer subsidies for a hundred-and-thirty-odd million people, who are said to have more money in their pockets, in their bank accounts, and in bonds already purchased, than ever before in the history of the world. Here is a proposal to subsidize the whole of America, and if there is any excuse, any reason—and there may be; I do not question that there may be—for granting a subsidy to those in the exceedingly low income earning brackets, or those without earnings at all, why not do it? Why not do it much as the Senator from Maine and the Senator from Vermont have suggested, by giving aid directly to the groups which need assistance, without granting assistance to all the American people? Why do it at the cost of the farmer? What is proposed is just as plain as that 2 and 2 make 4. The figures reach one final result in all this program, if we look at it frankly and candidly. We have to hold the line, but we are asked to break the back of the American farmer in order to hold the line.

What is proposed? It is proposed that we reduce the prices of farm products. That is what is proposed. It is proposed that we reduce the price of pork; it is proposed that we reduce the price of beef; it is proposed that we reduce the price of wheat, of flour, of all breadstuffs, all products of the American farm. How is that to be done? By reducing the farmer's price in the market, by paying him a miserable subsidy in order that he remain in the position of a producer.

The desire is not to starve him out, oh, no; it is not to destroy him. Gentlemen are dreadfully afraid that they must appease labor; certainly they are; but they are willing to break the backbone of the American farmer by reducing the prices of his products, not by letting him have what we tried to give him in the price-control bill, not by letting him have at least parity for his products.

Suppose we reduce his prices, we make him the producer of the lowest-priced products in America; and the producer of the lowest-priced commodities in our society is always the hewer of wood and the drawer of water for the other members of society. Gentlemen do not want the farmer to go into the market place and get a fair price for his product, they want to hold the line, but they want to hold it to the eternal cost of the American farmer.

Let the farmer be the producer of the lower-cost products in the United States, and how long will it take him to struggle back, after the war shall end, to something like equality with the producers of all other commodities?

Make no mistake about it, even a production subsidy is very hard to justify, because it tends inevitably to shift production in the particular field in which there is a desire to increase production at the cost of producers in other fields.

A consumer subsidy is proposed, a food subsidy, to be paid for by the American

farmer. Oh, of course, the money is coming out of the taxpayer's pocket, but when cotton goes down to 10 cents a pound, and pork goes down to 5 or 6 cents a pound, and beef cattle go back to the low prices witnessed in the depression days, and all the other farm commodities go down likewise, then let the war end and see what will happen to the American farmer. The consumer subsidies have already put in motion a lowering of prices to the farmer and that is exactly what will continue to happen to him. Hogs in the primary market in my State are now selling for 6 and 7 cents a pound for No. 2's and for not in excess of from 7½ to 8 cents a pound for No. 1's. All grade cattle have fallen far below the cost of production. Why? Because of the existence of the miserable subsidies. It was thought necessary to appease labor. It was thought necessary to appease the C. I. O. Other Senators may do as they wish, Mr. President, but I will not "take it lying down" for the American farmer. It was thought necessary to appease the C. I. O. at the cost of the farmer. Then it is proposed to take the money out of the Treasury and give it to one-hundred-and-thirty-odd million Americans who have so much money now that we are threatened, as some persons think, with a great tide of inflation.

We are approaching inflation now when we undertake to subsidize the food costs of all Americans by paying the subsidy out of the Treasury, and at the same time are directly breaking the back of the American farmer, because that is where the impact comes. Here in this one measure it is proposed to appropriate one and a half billion dollars not only out of an empty Treasury—but a hundred-fold more than an empty Treasury. If we do this we are headed toward inflation. Nowhere else can there really be an irresistible movement toward inflation save in the Congress of the United States. We have the joint responsibility in this body for appropriating the money called for to help bear the cost of living for people in the United States who, beyond all doubt, do not need it. Appropriate it now, and see how rapidly the subsidy totals will mount! How can we prevent the payment of subsidies on rents, on clothing, on drugs? How can such subsidies be stopped? The American people will know precisely what it means. Destroy the faith of the average man on the street in the integrity of the American dollar and see how fast he will run into the black markets, and how many black markets will develop overnight, where he will try to find some goods in which to put the money in which his faith has been shaken.*

The American people are too sensible, they have shown that they have too much courage, too much judgment, too much information, to begin the process of inflation. They have shown that despite the fact that almost every whippersnapper of a public official has talked about inflation, preached inflation, warned against inflation. The people have stood up against that tide, and they have sense enough to keep on standing up against it. But when they lose con-

fidence in Congress, when they think we will vote for anything, when they think we are pure appeasers, when they understand that we propose a program of subsidy which no one can stop and no one can even check, they will not have much faith left in their money, and then we will have real inflation.

Mr. President, that is the situation with which we are faced. I do not want to see it materialize. I happen to be a farmer as well as a lawyer. I happen to have invested in farms what little of this world's goods I possess. I know what this program means to the farmer. It is not a matter of theory. I have already seen farm prices go down, although they never have been high during this war except in a few minor particulars and in the case of a few seasonal products. The American farmer now stands up and says, "Do not crucify me on your cross of appeasement; do not make me the goat; do not condemn me to the status of the producer of a low-priced article, of a low-priced commodity and product, at a price below the actual cost of production, even though you give me a little hand-out from the Treasury of the United States."

Mr. President, I express the hope that we will not begin the process of inflation here by finally destroying the faith of the American people in the integrity of the legislative branch of the Government.

Mr. MALONEY. Mr. President, I should like to try to emphasize, as I did earlier in the day when the attendance was smaller, that the real purpose of the amendment is not to provide for the food bill of America; it is intended to try and keep as near perfect as possible the stabilization program adopted by the Congress. It seemed to the administration that a continuation and a protection of the stabilization program was not possible without subsidies. The alternative of the proposal, as I see it, is an increase in the cost of farm products.

Mr. President, I am sympathetic toward the farmer, but I am not unmindful of the fact that he is enjoying the greatest prosperity in the history of the country. There are some exceptions. The dairy farmer is one. The farmer's income has increased well-nigh 100 percent in the last 2½ years. Of course, there will be black markets if the lid is removed from prices, and there will be hungry homes, because those who have the money in great plenty will buy what food is available, and there is not enough produce in the land under existing wartime conditions to satisfy everyone's desire.

Of course there is logic in the argument of the distinguished and learned Senator from Georgia. Of course, there are those throughout the land who do not need a food subsidy. Of course, there are working people who have sufficient funds with which to buy the things they need. But the purpose of the amendment and of the proposed legislation is not to pay a food bill, but to keep prices down. Perhaps appeasement to labor is the word; but I want to believe, and I do believe, that I have never cast a vote intended to appease labor. We cannot help, however, after the experiences of

the last 10 or more years, but be realistic about the program.

Mr. President, I am excited to the great fears expressed by the able Senator from Georgia, but in a different direction. I do not know that we can hold the line. I do not know that stabilization will work. But as I see it, Mr. President, we are at the precipice, and this is our last chance to hold the line.

I do not think the farmer has been oppressed. In this proposal there is no effort to curtail the prices received by the farmer. The sole aim and purpose is to hold prices on an even keel, to prevent what is a real runaway inflation, to prevent the black market that anyone can see will exist unless we do have price control.

The greatest logic of the Senator's argument is that there are millions in our land who do not need a subsidy. But who is able, in the limited time we have, to differentiate? Who would make the study to find out who is entitled to the subsidy which has been suggested?

Furthermore, let me say that I would much prefer to contribute a few cents a day—I use the language of the Senator from Alabama—to help pay the grocery bills of American millionaires than I would to subject a part of our population to the stigma of pauperism and more particularly at a time when if they were allowed economic freedom they could obtain an increase in wages. Because of the conditions existing during the present war and as a result of Government action they cannot obtain the increase which they would obtain under different circumstances.

I say with all the sincerity I possess that in the interest of our Government and the national economy I am hopeful that the amendment will prevail.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut, as modified, to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALSH of New Jersey (when Mr. EASTLAND's name was called). I am advised that if the junior Senator from Mississippi [Mr. EASTLAND] were present and were permitted to vote, he would vote "nay."

Mr. REYNOLDS (when Mr. McCARRAN's name was called). I have a pair with the Senator from Nevada [Mr. McCARRAN]. He is absent on official business. I rather imagine that if he were present and were permitted to vote, he would vote for the amendment, and therefore would vote "yea." If I were at liberty to vote, I should vote "nay."

Mr. WALSH of New Jersey (when Mr. McCLELLAN's name was called). I am advised that if the junior Senator from Arkansas [Mr. McCLELLAN] were present and were permitted to vote, he would vote "nay."

Mr. ROBERTSON (when his name was called). On this vote, I have a pair with my colleague the senior Senator from Wyoming [Mr. O'MAHONEY]. I am in-

formed that if my colleague were present, he would vote "yea." If I were at liberty to vote, I should vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. Therefore, I withhold my vote, because I have not been informed how he would vote.

Mr. WHITE (when Mr. TOBEY's name was called). I announce that the Senator from New Hampshire [Mr. TOBEY] has been obliged to leave the city because of the serious illness of a member of his family.

The roll call was concluded.

Mr. BANKHEAD. Mr. President, during the calling of the roll announcement was made that the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Mississippi [Mr. EASTLAND] would vote "nay" if they were present. In justice to them, I think the RECORD should show that they are both confined to their beds because of illness. The Senator from Mississippi has been in the Senate during the day but was obliged to go to his home because he was ill with influenza. Both Senators were anxious to be present but were under doctor's orders to leave the Chamber.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness. I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS] would vote "nay."

The Senator from Rhode Island [Mr. GERRY] and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from New Mexico [Mr. HATCH], the Senator from Wyoming [Mr. O'MAHONEY], and the Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Utah [Mr. MURDOCK] is detained because of a slight cold.

The Senator from Maryland [Mr. TYDINGS] is detained on public business. I

am advised that if present and voting, he would vote "nay."

The Senator from New Mexico [Mr. HATCH] is paired with the Senator from Mississippi [Mr. EASTLAND]. I am advised that if present and voting, the Senator from New Mexico would vote "yea," and the Senator from Mississippi would vote "nay."

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

I am advised that if present, the Senator from California [Mr. JOHNSON] would vote "nay."

The result was announced—yeas 26, nays 49, as follows:

YEAS—26

Barkley	Jackson	Murray
Bone	Johnson, Colo.	Pepper
Chandler	Kilgore	Radcliffe
Danaher	Langer	Truman
Downey	Lucas	Tunnell
Ellender	McFarland	Wagner
Green	Maloney	Walsh, Mass.
Guffey	Maybank	Walsh, N. J.
Hayden	Mead	

NAYS—49

Aiken	Clark, Mo.	Revercomb
Austin	Connally	Russell
Bailey	Davis	Shipstead
Ball	Ferguson	Smith
Bankhead	George	Stewart
Bilbo	Gurney	Taft
Brewster	Hawkes	Thomas, Idaho
Brooks	Hill	Thomas, Okla.
Buck	Holman	Vandenberg
Burton	La Follette	Wheeler
Bushfield	McKellar	Wherry
Butler	Millikin	White
Byrd	Moore	Wiley
Capper	Nye	Willis
Caraway	O'Daniel	Wilson
Chavez	Overton	
Clark, Idaho	Reed	

NOT VOTING—20

Andrews	Johnson, Calif.	Robertson
Bridges	McCarran	Scrugham
Eastland	McClellan	Thomas, Utah
Gerry	McNary	Tobey
Gillette	Murdock	Tydings
Glass	O'Mahoney	Wallgren
Hatch	Reynolds	

So Mr. MALONEY's amendment, as modified, to the committee amendment was rejected.

Mr. McKELLAR. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Connecticut [Mr. MALONEY], as modified, was rejected.

Mr. BANKHEAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BARKLEY. Mr. President, many Senators are suggesting that we go ahead and vote on the Taft amendment.

Mr. TAFT. Mr. President, I desire to speak for at least half an hour.

Mr. BARKLEY. Perhaps it had better go over until tomorrow.

Mr. TAFT. I think it ought to go over until tomorrow.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the President of the United States nominating Col. Omar T. Pfeiffer to be a brigadier general in the Marine Corps for temporary service from the 5th day of October 1942, which was referred to the Committee on Naval Affairs.

RECESS

Mr. BARKLEY. There being no Executive Calendar, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 32 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 10, 1944, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 9 (legislative day of February 7), 1944:

PROMOTION, FOR TEMPORARY SERVICE, IN THE MARINE CORPS

Col. Omar T. Pfeiffer to be a brigadier general in the Marine Corps, for temporary service, from the 5th day of October 1942.

House of Representatives

WEDNESDAY, FEBRUARY 9, 1944

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art the Father of us all, we pray for proud and grateful hearts that the gifts we covet may be a clear conscience and duty well done. We are confronted with personal ambitions and often neglecting the bigger fact that to be Christlike consists largely of self-abnegation. Let Thy spirit lead us to test our questions under the shadow of the cross to the glory of self-sacrifice.

Almighty God, love is the sublimest gift in the world; it redeems weakness, clothes its barrenness, enriches its poverty, and leaves in its path peace and contentment. We pray that the revenues of this greatest virtue may bring forth inspiration and devotion to the things that endure. O bless every uncalendared man, the memory of any who ever achieved a noble purpose, who dared to suffer for the right and laid down his life for a clean, fresh world. Dear Lord, the day is Thine; we pray that our entire citizenry may rise a royal conception, holding high the standards which exalt national character. In the name of our Saviour who for the joy that was set before Him, endured the cross. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House numbered 1, 2, 4, 5, 6, 7, 8, 10, 13, and 14 to the bill (S. 1285) entitled "An act to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House numbered 9, 11, and 12 to the above-entitled bill.

The message also announced that the Senate agrees to amendment numbered 3 of the House to the above-entitled bill, with an amendment, and that the Senate agrees to the amendment of the House to the title of said bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1612. An act to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes.

The message also announced that the Senate agrees to the amendment of the

House to a bill of the Senate of the following title:

S. 1447. An act to remit claims of the United States on account of overpayment to part-time charwomen in the Bureau of Engraving and Printing, and for other purposes.

The message also announced that the Acting President pro tempore had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Navy.
2. Department of State.
3. Department of War.
4. Federal Trade Commission.
5. United States courts.

PARLIAMENTARY INQUIRY

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, would it be in order to ask unanimous consent to have Senate bill 1285 as it originally passed the Senate, later passed by the House with amendments and further amended in the Senate, printed for the benefit of the Members? I think we ought to have that bill printed in full, with all amendments.

The SPEAKER. It has been printed. The Chair has seen copies of it. The engrossed copy is on the desk.

Mr. RANKIN. I understand, Mr. Speaker, but I want copies printed so that every Member of the House may have copies in order that we may know just what we have before us at all times and the changes made in the Senate.

The SPEAKER. That may be done by unanimous consent.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that Senate bill 1285 as passed originally by the Senate, amended by the House and reamended by the Senate, be printed for the benefit of the Members.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

Mr. TABER. Mr. Speaker, reserving the right to object, I suppose that all bills passed by the Senate with Senate amendments to House bills are printed under the rules with the amendments. Is that not so? And I ask that as a parliamentary inquiry.

The SPEAKER. That is true in certain instances. The major bills are treated in that way. Many minor ones are not.

Mr. TABER. I think this should be.

The SPEAKER. The Chair may say, to settle this, that the Chair will order that done. The Chair thinks he has authority to do so and the Chair will order the bill printed with House and Senate amendments.

Mr. RANKIN. All right, Mr. Speaker. I withdraw the request.

ELECTION OF MEMBERS TO STANDING COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer a resolution which I send to the Clerk's desk and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 431), as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Roads: CLAIR ENGLE, California.

War Claims: SAMUEL DICKSTEIN, New York; ROBERT RAMSPECK, Georgia; JOHN R. MURDOCK, Arizona; JAMES F. O'CONNOR, Montana; CLAIR ENGLE, California.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. HELEN YOUNG MITCHELL

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a privileged resolution (H. Res. 429), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Helen Young Mitchell, widow of Ignatius Mitchell, late an employee of the House, a sum equal to 6 months' salary compensation at the rate he was receiving at the time of his death, and an additional amount not to exceed \$250, to defray funeral expenses of the said Ignatius Mitchell.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on two matters, in one to include an article entitled "Ballots or Bullets," which appeared in the Boston Post under date of February 7, 1944, and in the other to include a resolution favoring the establishment of a Jewish national home in Palestine.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include

78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 9 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. AIKEN (for himself and Mr. LA FOLLETTE) to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz: In lieu of the language proposed to be inserted by the committee beginning on page 9, line 11, and extending down to and including line 23, on page 10 (being section 3), insert the following:

1 TITLE I—GENERAL PROVISIONS AND

2 AUTHORITY

3 PURPOSES

4 SEC. 3. It is hereby declared to be in the interest of
5 national defense and security and necessary to the effec-
6 tive prosecution of the present war and the maintenance

A. H. R. 3477 A

1 of the health, efficiency, and morale of the civilian popula-
2 tion, and the morale of those members of the armed forces
3 who have dependents among the civilian population, that
4 the limited supplies of food presently available for civilian
5 consumption be equitably distributed among the various
6 sections of the Nation and among persons in the various
7 income groups, and that the means of obtaining sufficient
8 food for an adequate diet be placed so far as possible within
9 the reach of every person in the Nation. It is further de-
10 clared that the operation of the national food allotment plan,
11 as provided in this Act, is a desirable and effective method
12 of accomplishing the purposes hereinabove set forth.

13 DEFINITIONS

14 SEC. 4. As used in this Act—

15 (a) The term “Director” shall mean the Deputy Director
16 of the Food Distribution Administration charged with the
17 establishment and operation of the food allotment plan.

18 (b) The term “household” shall mean one person who
19 alone, or a group of two or more persons who at a common
20 table, customarily consume food prepared by or for him or
21 them in a home or noncommercial nonpenal institution.
22 Households shall be classified for the purposes of this Act
23 according to number of members and monthly income. Such
24 income classification shall be according to \$10 levels.

25 (c) The term “basic food allotment” per person, shall

1 mean the following amounts of food per person per week or
2 the equivalent thereof in nutritional value and approximate
3 cost as determined by the Director:

4 Milk, or its equivalent in cheese, evaporated milk, or dry
5 milk, five quarts.

6 Potatoes and sweetpotatoes, four pounds.

7 Dry beans, peas, and nuts, eight ounces.

8 Tomatoes and citrus fruits, one pound eight ounces.

9 Leafy, green, or yellow vegetables, such as green cab-
10 bage, kale, snap beans, and carrots, one pound eight ounces.

11 Other vegetables and fruit, two pounds five ounces.

12 Eggs, four (number of eggs) .

13 Meat, poultry, and fish, one pound eight ounces.

14 Flour and cereals, four pounds seven ounces.

15 Fats and oils, fourteen ounces.

16 Sugars, sirups, and preserves, twelve ounces.

17 (d) The term "normal food expenditures" shall mean
18 the amount of money customarily expended for the purchase
19 of food plus the money value of home-produced food con-
20 sumed by households of a specific size and income classifica-
21 tion during a specified period of time.

22 ESTABLISHMENT OF THE FOOD-ALLOTMENT PLAN

23 SEC. 5. The War Food Administrator created by Exe-
24 cutive Order Numbered 9322 is hereby authorized and
25 directed to establish and administer a national food allot-

1 ment plan in accordance with the provisions of this Act
2 under the supervision of a Deputy Director of the Food Dis-
3 tribution Administration. Such plan shall provide for the
4 issuance to eligible households, according to need and free
5 of charge, of food-allotment coupons of prescribed monetary
6 values and in such form as may be approved by the Director.
7 Coupons so issued shall be transferable by the recipient
8 thereof to mercantile establishments registered in accordance
9 with the provisions of this Act in exchange for food or
10 food products of equal value at the prices currently pre-
11 vailing in the establishment of the transferee and shall be
12 redeemable at face value upon presentation to the Treasury
13 by any authorized transferee thereof. Such coupons may
14 be transferred by such transferee and accepted in payment
15 for food or food products purchased by him, or deposited
16 by such original or subsequent transferee with a banking
17 institution authorized by the Director to receive the same
18 for redemption as hereinafter provided.

19 ELIGIBILITY OF HOUSEHOLDS

20 SEC. 6. (a) The determination with respect to the
21 eligibility of households to participate in the national food
22 allotment plan shall be made on the basis of the number of
23 persons who are members thereof and their monthly rate of
24 income. Individual households shall be certified only upon
25 the voluntary application of a member thereof. A household

1 shall be eligible to participate in the national food allotment
2 plan and receive food-allotment coupons: *Provided*, That
3 households of the same size and income classification, con-
4 sidered as a group, are found by the Director, on the basis
5 of factual studies conducted under his supervision, to have
6 normal food expenditures less than the reasonable cost of the
7 basic food allotment of such households.

8 (b) For the purpose of determining eligibility and the
9 value of coupons issuable, as provided in section 5 of this
10 Act, the Director shall determine semiannually in the manner
11 specified in subsection (a) of this section, the normal food
12 expenditures and the reasonable cost, according to the food
13 prices collected by the Bureau of Labor Statistics in the
14 Department of Labor, of the basic food allotment for house-
15 holds within each size and income classification. Such nor-
16 mal food expenditures shall be stated in terms of the national
17 average, but the Director may, if he deems it necessary in
18 order to effectuate the purposes of this Act of securing equi-
19 table distribution of food supplies, provide for regional differ-
20 entials with respect to the reasonable cost of the basic food
21 allotments.

22 VALUE OF FOOD ALLOTMENT COUPONS ISSUABLE

23 SEC. 7. (a) Each household certified as eligible shall be
24 entitled, subject to the provisions of subsection (b) of this
25 section, to receive food-allotment coupons of a value which,

1 added to the normal food expenditures for households of the
2 same size and income classification, as determined by the
3 Director, shall equal the reasonable cost of the basic food
4 allotment for a household of that size as so determined. The
5 value of coupons to be issued for each period shall be adjusted
6 to the nearest whole dollar.

7 (b) If the Director finds that the funds available for
8 expenditure in accordance with the provisions of this Act are
9 insufficient to meet the full amount of the difference between
10 normal food expenditures and the reasonable cost of the
11 basic food allotment for all eligible households participating
12 in the plan, he shall establish a percentage of the reasonable
13 cost of the basic food allotment which can be attained for
14 all participants out of the funds available, and shall cause
15 food-allotment coupons to be issued to each participating
16 household of a value which, added to the normal food ex-
17 penditures as aforesaid, shall equal the established percentage
18 of the reasonable cost of the basic food allotment of a house-
19 hold of that size.

20 (c) Except for variations based on regional differentials
21 authorized under section 4 (b) of this Act, all households
22 of the same size and income classification shall be entitled
23 to receive food-allotment coupons of the same value. Ex-
24 cept for adjustments to the nearest whole dollar as pro-
25 vided in subsection (a) of this section, in no event shall

1 coupons be issued to any household of a value in excess of
2 that which added to the normal food expenditures for a
3 household of the same size and income classification shall
4 equal the reasonable cost of the basic food allotment for a
5 household of that size as determined by the Director.

6 DISCRIMINATION PROHIBITED

7 SEC. 8. There shall be no discrimination against any
8 household with respect to eligibility, classification, partici-
9 pation, or issuance or utilization of food-allotment coupons
10 under the provisions of this Act by reason of race, religious
11 creed, national origin, citizenship, political affiliations or
12 beliefs, occupation, employment, or other tests, except as
13 provided for in this Act and as necessary to insure general
14 fairness and equity in the application of this Act.

15 PRESERVATION OF STANDARDS

16 SEC. 9. No moneys herein or hereafter appropriated for
17 the purposes of this Act shall be expended in lieu of Federal,
18 State, or local expenditures customarily made for the direct
19 benefit of households within the income groups found eli-
20 gible to receive food-allotment coupons. Present standards
21 for the payment, and payments, of social security and other
22 types of assistance shall not be made less favorable to the
23 recipients, or applicants for such assistance, by reason of
24 the operation of the food-allotment plan.

1 DETERMINATION AND CLASSIFICATION OF ELIGIBLES

2 SEC. 10. (a) The Director shall designate appropriate
3 State, local, and private agencies and ration boards where
4 feasible to receive applications to participate in the food-
5 allotment plan, to determine the eligibility of such applicants
6 for food-allotment coupons, and to certify to him the names
7 of those found eligible, together with such relevant data
8 concerning the size and income classification of the house-
9 holds so certified as may be necessary to determine the value
10 of the coupons to be issued to the applicant and such other
11 information as may be necessary to the efficient administra-
12 tion of the food-allotment plan. The Director may reimburse
13 such agencies so designated for reasonable expenses incurred
14 in connection with the work performed by them.

15 (b) When the Director finds upon investigation that
16 appropriate State, local, or private agencies are not available
17 in any State or community, he may establish local offices
18 and employ suitable personnel to receive applications, deter-
19 mine eligibility, and certify eligibles as provided in subsection
20 (a) of this section.

21 (c) Each applicant shall furnish such information with
22 respect to the size and income of the household of which he
23 is a member as may be required by the Director and necessary
24 to the determination of eligibility and of the value of food-
25 allotment coupons to which such household is entitled. In

1 determining the income classification of a household income
2 in cash and in kind shall be considered in accordance with
3 regulations issued by the Director. When two or more adult
4 members, other than husband and wife, contribute to the sup-
5 port of a household, an equitable portion of the income of
6 any such member other than the natural head of the house-
7 hold shall be deemed to constitute income of the household
8 in accordance with regulations issued by the Director.

9 (d) The Director shall establish appropriate procedures
10 for appealing from the determination as to eligibility and
11 the value of coupons issuable.

12 (e) The eligibility of each participating household and
13 the value of the coupons to which it is entitled shall be re-
14 determined and certified at least twice in each twelve-month
15 period in accordance with rules and regulations issued by the
16 Director.

17 ISSUANCE

18 SEC. 11. The unit for issuing food-allotment coupons
19 shall be denominations of 10 cents and increasing denomina-
20 tions thereof. The Director, or his designated issuing
21 agents, shall issue coupons in such manner, and at such
22 times and places, as the Director may determine, taking into
23 consideration efficiency of administration and the conven-
24 ience of those entitled to receive such coupons.

1 REDEMPTION OF FOOD-ALLOTMENT COUPONS

2 SEC. 12. (a) The Director shall provide for redemp-
3 tion of food-allotment coupons exchanged for food and food
4 products through the cooperation of the Treasury Depart-
5 ment, Post Office Department, the General Accounting Office,
6 and banking institutions throughout the Nation. He shall
7 designate banking institutions to accept coupons from sellers
8 of food at retail and wholesale. Institutions so designated
9 shall pay at time of presentation in cash or by credit to a
10 demand deposit the full value of all coupons presented to
11 them.

12 (b) Banking institutions accepting coupons as provided
13 in subsection (a) of this section and other authorized trans-
14 ferees may present such coupons for redemption at audit
15 offices of the War Food Administration, and the General
16 Accounting Office shall arrange to conduct the necessary
17 audits of such claims at such offices, thereupon releasing the
18 coupons to the Director for reissuance. Approved vouchers
19 covering such claims shall then be forwarded to regional
20 disbursing offices of the Treasury Department for payment.

21 (c) The Director may contract to reimburse banking
22 institutions designated to receive food-allotment coupons for
23 their reasonable expenses incurred in acting as such de-
24 pository.

REGISTRATION OF FOOD DEALERS

1
2 SEC. 13. The Director shall provide by regulation a
3 simple method for the registration of mercantile establish-
4 ments selling food and food products at wholesale or retail
5 which desire to be authorized to receive food-allotment
6 coupons in exchange for food and food products. Such regis-
7 tration shall constitute authority so to receive food-allotment
8 coupons.

TITLE II—ADMINISTRATION AND ENFORCEMENT

ADMINISTRATION

10
11 SEC. 201. (a) The Director may, subject to the civil-
12 service laws and the approval of the War Food Administrator,
13 appoint such employees as he deems necessary in order to
14 carry out his functions and duties under this Act and shall
15 fix their compensation in accordance with the Classification
16 Act of 1923, as amended. The Director may utilize the serv-
17 ices of Federal, State, and local and private agencies, and
18 may utilize and establish such regional, local, or other agencies
19 and utilize such voluntary and uncompensated services as
20 may from time to time be needed. Attorneys appointed
21 under this section may appear for and represent the Director
22 in any case in any court. In the appointment, selection,
23 classification, and promotion of officers and employees, no
24 political test or qualification shall be permitted or given con-

1 sideration, but all such appointments and promotions shall
2 be given and made on the basis of merit and efficiency.

3 (b) The principal officer of the Director shall be in
4 the District of Columbia, but he or any duly authorized
5 representative may exercise any or all of his powers in any
6 place.

7 (c) The Director shall have authority to make such
8 expenditures (including expenditures for personal services
9 and rent at the seat of government and elsewhere; for law-
10 books and books of reference; and for paper, printing, and
11 binding) as he may deem necessary for the administration
12 and enforcement of this Act. The provisions of section 3709
13 of the Revised Statutes shall not apply to the purchase of
14 supplies and services by the Director where the aggregate
15 amount involved does not exceed \$250. Total administra-
16 tive expenditures of all types shall not exceed 5 per centum
17 of the funds appropriated for the purposes of this Act.

18 (d) The Director may, from time to time, issue such
19 rules and regulations as he may deem necessary or proper
20 in order to carry out the purposes and provisions of this
21 Act.

22 INVESTIGATIONS, RECORDS, AND REPORTS

23 SEC. 202. (a) The Director is authorized to make such
24 studies and investigations and to obtain such information as
25 he deems necessary and proper to assist him in prescribing

1 any rule or regulation under this Act, or in the administra-
2 tion and enforcement of this Act and the rules and regula-
3 tions thereunder.

4 EDUCATIONAL PROGRAM

5 SEC. 203. As a part of the food-allotment plan, the
6 Director shall provide, in cooperation with existing agencies
7 of the Federal, State, or local governments, or private per-
8 sons or groups, for improving the buying habits, food utiliza-
9 tion techniques, and food preservation methods of the partici-
10 pants in the food-allotment plan.

11 SUSPENSIONS

12 SEC. 204. (a) The Director is authorized to suspend
13 from participation in the food-allotment plan any State or
14 area, if he finds after due notice and opportunity for hearing
15 that any agency of such State or area serving as a certifying
16 agent under the provisions of section 8 of this Act (1) has
17 knowingly violated any provision of this Act or of any rule
18 or regulation issued by him under the provisions of this Act
19 or has knowingly certified as eligible households not entitled
20 to such certification or submitted inaccurate data with re-
21 spect to size or income of households certified and (2) is
22 likely to fail to comply in the future with the provisions of
23 this Act and the rules and regulations issued by him or to
24 continue such unauthorized certifications or submission of
25 inaccurate data.

1 (b) The Director is authorized to suspend from par-
2 ticipation in the food-allotment plan any State or area, if
3 he finds after due notice and opportunity for hearing that
4 expenditures customarily made are being withheld, or that
5 standards of payment or payments have been made less
6 favorable, by such State or area, or by agencies thereof,
7 contrary to the provisions of section 7 of this Act.

8 (c) No State or area shall be suspended in accordance
9 with the provisions of subsections (a) or (b) of this section
10 except by written order of the Director signed by him.

11 (d) The Director is authorized and directed to provide
12 by rules and regulations for the suspension from participation
13 in the food-allotment plan of any registered food dealer,
14 participating household, or banking institution found by him,
15 or by any officer or employee designated by him, to hear and
16 determine suspension proceedings, after due notice and
17 opportunity for hearing, to have violated any provision of this
18 Act.

19 COUNTERFEITING OF FOOD-ALLOTMENT COUPONS

20 SEC. 205. Whoever shall falsely make, alter, forge, or
21 counterfeit, or cause or procure to be falsely made, altered,
22 forged, or counterfeited any food-allotment coupon or coupon
23 similar thereto for the purpose of obtaining or receiving, or of
24 enabling any other person to obtain or receive, directly or
25 indirectly, from the United States or any of its officers or

1 agents, any money or other thing of value, and whoever shall
2 transfer or utter as true, or cause to be transferred or uttered
3 as true, any such false, forged, altered, or counterfeited food-
4 allotment coupon or coupon similar thereto, with intent to
5 defraud the United States, or any mercantile establishment,
6 banking institution, or person, shall, upon conviction thereof,
7 be fined not more than \$5,000 or imprisoned not more than
8 ten years, or both.

9 TITLE III—MISCELLANEOUS

10 REPORTS TO CONGRESS

11 SEC. 301. The Director shall render, through the War
12 Food Administrator, semiannual reports to Congress describ-
13 ing the operations of the food-allotment plan, including the
14 following: Number of eligibles and participants, by the vari-
15 ous classes of households established; the reasons for non-
16 participation of eligibles; effect of the food-allotment plan on
17 the expenditure habits of participants; extent to which the
18 plan increases purchases of foods of various types and other
19 kinds of goods and services, for the various classes of house-
20 holds; benefits derived from the plan for the different types
21 and groups of food sellers, wholesalers, processors, and pro-
22 ducers; extent of improper use of food-allotment coupons;
23 changes in relief payments, social-security payments, and
24 other types of income of the various classes of eligibles; the
25 amount and type of administrative expenditures incurred.

SUBSIDY PAYMENTS PROHIBITED

2 SEC. 302. It being the policy of Congress as provided
3 in title I of this Act to provide a national food allotment plan
4 as a means of safeguarding the general welfare against
5 excessive price rises and inflationary tendencies in the exist-
6 ing war emergency, no funds appropriated to, borrowed under
7 congressional authorization by, or in the custody or control
8 of, any governmental agency, including any Government-
9 owned or controlled corporation, shall be used for subsidy
10 or other payments with respect to the production, processing,
11 distribution, or other handling of any agricultural commodity
12 or any commodity processed in whole or substantial part
13 from any agricultural commodity, including milk and live-
14 stock and the products thereof, unless the Congress shall have
15 specifically authorized the use of such funds for such purpose.

APPROPRIATIONS AUTHORIZED

17 SEC. 303. The appropriation of such sums as may be
18 necessary to carry out the provisions of this Act is hereby
19 authorized.

TERRITORIAL APPLICABILITY

21 SEC. 304. The provisions of this Act shall be applicable
22 to the United States, its Territories and possessions, and the
23 District of Columbia.

SEPARABILITY PROVISION

25 SEC. 305. If any provision of this Act or the application

1 thereof to any person or circumstance shall be held invalid,
2 the remainder of this Act and the application of such pro-
3 vision to other persons or circumstances shall not be affected
4 thereby.

5 SHORT TITLE

6 SEC. 306. This Act may be cited as the "National Food
7 Allotment Act".

8 TERMINATION OF ACT

9 SEC. 307. The provisions of this Act, and all rules, regu-
10 lations, orders, and requirements thereunder, shall terminate
11 on June 30, 1945, or upon the date specified in a concurrent
12 resolution by the two Houses of the Congress, whichever
13 date is the earlier; except that as to offenses committed, or
14 rights or liabilities incurred, prior to such termination date,
15 the provisions of this Act and such rules, regulations, orders,
16 and requirements shall be treated as still remaining in force
17 for the purpose of sustaining any proper suit, action, or prose-
18 cution with respect to any such right, liability, or offense.

19 SEC. 308. There is hereby authorized to be appropriated
20 \$500,000,000, or so much thereof as may be necessary,
21 to carry out the provisions of this Act.

AMENDMENT

Intended to be proposed by Mr. Aiken (for himself and Mr. La Follette) to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 9 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 9 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CLARK of Idaho to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz:

- 1 On page 10, line 17, after the word "to" insert the
- 2 following: "domestic wool, sugar beets and sugarcane and".

2-9-44—B

AMENDMENT

Intended to be proposed by Mr. Clark of Idaho to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 9 (legislative day, FEBRUARY 7), 1944

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78TH CONGRESS
2^D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 9 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. EASTLAND (for himself and Mr. McCLELLAN) to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz: On page 10, after line 23, insert the following new section:

1 SEC. . (a) Within a period of one hundred and twen-
2 ty days from the effective date of this Act, and within each
3 six-month period thereafter, maximum prices heretofore or
4 hereafter established on milk and the products thereof
5 (purusant to the Emergency Price Control Act of 1942,
6 as amended by Public Law 729, approved October 2, 1942),
7 shall be adjusted on a regional or market basis as the case

1 may require to the extent necessary to (1) reflect changes
2 in farm labor costs (including hired workers, farm operators,
3 and members of the families of farm operators engaged in
4 work on the farm computed for all such labor on the basis
5 of wage rates for hired farm labor), feed prices (including
6 all feed fed whether purchased or home grown), and other
7 costs since January 1, 1941; (2) place the production of
8 milk and the products thereof on a competitive basis with
9 alternative opportunities which are available to producers of
10 milk; (3) correct inequities as between markets; and (4)
11 maintain or increase the production of milk and the products
12 thereof for war and civilian purposes: *Provided*, That in
13 determining the extent to which maximum prices shall be
14 adjusted as provided herein, due consideration shall be given
15 to historical and normal differentials customarily applied as
16 between markets and regions: *Provided further*, That in no
17 event shall maximum prices on milk and the products there-
18 of be established below support prices therefor or below the
19 prices specified in section 3 of Public Law Numbered 729,
20 approved October 2, 1942: *Provided further*, That where
21 minimum prices to producers of milk have been regulated
22 under any agreements or orders pursuant to the provisions
23 of the Agricultural Marketing Agreement Act of 1937, as
24 amended, the War Food Administrator is hereby directed,
25 within the periods prescribed in this section (relating to the

1 adjustment of maximum prices), to adjust such minimum
2 prices to reflect adjustments in maximum prices determined
3 and ordered pursuant to the provisions of this section.
4 Except as expressly provided herein, nothing contained
5 herein is intended, nor shall be construed to repeal, amend,
6 or supersede the provisions of the Agricultural Marketing
7 Agreement Act of 1937, as amended.

8 (b) In order to effectuate the purposes of paragraph
9 (a) of this section, the War Food Administrator and the
10 Price Administrator are hereby directed to hold public hear-
11 ings on a regional or market basis as the case requires. For
12 such purposes there shall be utilized the hearing procedure
13 and the personnel of the Food Distribution Administration
14 of the United States Department of Agriculture established
15 under the provisions of the Agricultural Marketing Agree-
16 ment Act of 1937, as amended, and such other personnel of
17 the Department of Agriculture and the Office of Price Ad-
18 ministration as may be required. As soon as practicable
19 after the completion of the hearing, but in any event within
20 the periods specified in paragraph (a), the War Food
21 Administrator and the Price Administrator shall make public
22 their joint findings based only on relevant substantial evi-
23 dence of record at the hearing and the Price Administrator
24 forthwith shall issue an order adjusting such maximum price

1 or prices on the basis of and in conformance with such
2 findings.

3 (c) Any person (within the meaning of section 302
4 (h) of the Emergency Price Control Act of 1942, as
5 amended) who is adversely affected by the order of the
6 Price Administrator may, within thirty days after the action
7 adjusting such maximum price or prices, file a complaint
8 with the Emergency Court of Appeals specifying his objec-
9 tions and praying that the order be enjoined or set aside
10 in whole or in part.

11 The War Food Administrator shall be made a party to
12 the proceedings and upon service of the summons and com-
13 plaint, the Price Administrator shall certify and file in the
14 court the transcript of the proceedings and the record upon
15 which the order adjusting such maximum price or prices
16 was based. The proceedings in such court shall be subject
17 to all applicable provisions of section 204 of the Emergency
18 Price Control Act of 1942, as amended; except, that wher-
19 ever the term "Administrator" is used therein, it shall, for
20 the purposes hereof, be construed to mean the War Food
21 Administrator and the Price Administrator: *Provided*, That
22 during the pendency of such proceedings the Price Adminis-
23 trator may not modify or rescind his order adjusting such
24 maximum price or prices except upon the basis of additional
25 joint findings on evidence adduced pursuant to the order of

1 the court. The provisions of this section shall terminate
2 coterminous with the expiration of the Emergency Price
3 Control Act of 1942, as amended.

AMENDMENT

Intended to be proposed by Mr. EASTLAND (for himself and Mr. McCLELLAN) to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 9 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 11, 1944, for actions of Thursday, February 10)

(For staff of the Department only)

(For index, see last page.)

SENATE

1. COMMODITY CREDIT; SUBSIDIES. Continued debate on H. R. 3477, to continue CCC as a U. S. agency, prohibit subsidies, etc. (pp. 1518, 1521, 1527-51).
Rejected the Taft (Ohio) amendment (to the committee amendment) permitting expenditure of \$950,000,000 for subsidies in 1944; by a 16-64 vote (pp. 1527-42).
Agreed to the following amendments:
By Sen. Clark, Idaho, exempting from the anti-subsidy provision transactions regarding domestic wool, sugar beets, and sugarcane (pp. 1521, 1527-28).
By Sen. Bankhead, Ala., permitting temporary continuation of subsidies announced on or before Jan. 14, 1944; striking out the prohibition against subsidies to "maintain" price ceilings (clarifying); and striking out the reference to "winding up and liquidating such programs...after the date of enactment" (p. 1529).
By Sen. McClellan, Ark. (for himself and Sen. Eastland, Miss.) to provide for increases in milk prices (pp. 1542-45).
Began debate on the Aiken (Vt.) food-allotment amendment (pp. 1545-51).
2. FERTILIZER SHORTAGE. Sen. Hill, Ala., discussed "the critical shortage of phosphorus for use on the land", criticized WPB's failure to release materials for a phosphorus plant at Mobile, Ala., and inserted a report by the Special Committee on the Preservation of Phosphate Resources (pp. 1519-21).
3. SOLDIERS' VOTE BILL. Conferees were appointed on this bill, S. 1285 (pp. 1521-27).
4. SOCIAL SECURITY. Received a N. J. Legislature resolution opposing any legislation transferring to the Government the administration of unemployment compensation (p. 1518).
5. VETERANS. Sen. Wagner, N. Y., submitted an amendment which he intends to propose to S. 1617, to provide Government aid for the readjustment in civilian life of World War No. 2 veterans, which would establish a veterans' placement service board within the U. S. Employment Service (pp. 1518-19).
6. POST-WAR PLANNING. The report of the Special Senate Committee on Post-War Planning (see Digest 25) recommends establishment of an Office of Demobilization to handle contract cancellation, plant reconversion, disposal of surplus property, etc. (the Office would be subordinate to the Office of War Mobilization for the war's duration); and a congressional committee to whom the Director of Demobilization would report at least once a month, and the members of which could attend all meetings of the Board of the Office of Demobilization. The report also contains a list of general policies which the Committee believes should be considered in connection with demobilization.

7. **EDUCATION; FOOD ADMINISTRATION.** Received (February 3) from the President a supplemental appropriation estimate of \$4,000,000 additional to the Federal Security Agency for education and training of defense workers in food production, farm mechanics, food processing, and farm labor. To Appropriations Committee. (H. Doc. 396.)
8. **EDUCATION; POST-WAR PLANNING.** The Education and Labor Committee reported (February 9) with amendment S. 1509, to provide for education and training of members of the armed forces and the merchant marine, through the Office of Education, after their discharge or conclusion of service (S. Rept. 687).

HOUSE

9. **TREASURY-POST OFFICE APPROPRIATION BILL.** Passed, 320-6, with amendments this bill, H.R. 4133 (pp. 1559-64) after rejecting, 162-163, Rep. Taber's (N.Y.) motion to recommit this bill with instructions to reduce certain items, including the Bureau of Accounts (pp. 1562-3). Rep. Taber, N. Y., criticized the surplus-property situation and stated, "My understanding is that in the lend-lease set-up the War Food Administration and other agencies have some 20,000,000 pounds [of butter]...that deteriorated to such an extent that it is no longer fit for table use," and he and Rep. Patman, Tex., spoke favoring H.R. 3873, providing for a central agency to dispose of surplus war material (pp. 1561-2). Rep. Cannon, Mo., discussed the "amendments offered yesterday (by Rep. Taber) to reduce various items and stated that they "are typical of the type of ...political...amendments which will be offered to all the supply bills for the remainder of the session" (pp. 1559-60). Reps. Taber and Sumner, Ill, urged "economy" in Federal expenditures (pp. 1560-1).
10. **FOOD WASTE; PRICE CONTROL.** Rep. Gross, Pa., criticized food waste and blamed OPA price ceilings as being partly responsible, stating, "Things of this kind were unheard of in the days when farm produce flowed through the ordinary channels of trade" (pp. 1554-5).
11. **RUBBER.** Rules Committee reported H. Res. 346, to authorize the Agriculture Committee to investigate the guayule-rubber program "with a view to determining whether such a program is being carried forward in a manner calculated to achieve such a domestic source in the shortest possible time" (H.Rept. 1113 (pp. 1565, 1581)).
12. **ASSISTANT SECRETARY OF THE INTERIOR.** Began debate on H.R. 2801, to provide for an additional Assistant Secretary of the Interior (pp. 1565-8, 1573-9). Reps. Peterson, Fla., and Bates, Mass., discussed the Fish and Wildlife Service stating that it is "a combination from other departments" (Agriculture and Commerce) (p. 1574).
13. **LABOR.** Rep. Hoffman, Mich., criticized the administration's labor policy and stated that the Austin-Wadsworth-manpower-mobilization bill (S. 666 and H.R. 3944) "is not the remedy" (pp. 1568-71).
Received the Labor Department's annual report for the fiscal year 1943. To Labor Committee. (p. 1580.)

78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PEPPER to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz: At the proper place in the bill insert the following new section:

1 SEC. . (a) In the administration of the Stabilization
2 Act, approved October 2, 1942, the President shall issue a
3 general order with respect to wages and salaries, permitting
4 any increase in straight-time hourly earnings which does
5 not result in increasing such earnings to a point more than
6 18 per centum above the level of January 1, 1941.

7 (b) The provisions of this section shall apply with
8 respect to increases in wages or salaries occurring on or

1 after July 1, 1944, the date as of which the prohibition in
2 section 3 of this Act against the making of certain payments
3 to aid in reducing or preventing increases in maximum
4 prices becomes effective.

78TH CONGRESS
2d Session

H. R. 3477

AMENDMENT

Intended to be proposed by Mr. Pepper to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 10 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PEPPER to the bill (H. R. 3477)
to continue the Commodity Credit Corporation as an agency
of the United States, to revise the basis of annual appraisal
of its assets, and for other purposes, viz: At the proper
place in the bill insert the following new section:

1 SEC. . (a) All pensions, disability, or death compen-
2 sation, and retirement pay, payable by any department or
3 agency of the Government, are hereby increased to an
4 amount 18 per centum in excess of the amount provided by
5 the law in effect on January 1, 1941, with respect thereto,
6 except in cases where an equal or greater increase has already
7 been made.

8 (b) The amounts of the allowances for quarters, sub-

1 sistence, and dependents, payable to or with respect to mem-
2 bers of the armed forces of the United States or their depend-
3 ents, are hereby increased by 3 per centum.

4 (c) The amount of any payment of old-age and sur-
5 vivor's insurance payable to any individual under title II
6 of the Social Security Act is hereby increased by 18 per
7 centum.

8 (d) Every individual entitled to overtime compensa-
9 tion or additional compensation under the War Overtime
10 Pay Act of 1943 shall, in addition thereto, be paid additional
11 compensation at a rate of 3 per centum of so much of his
12 earned basic compensation as is not in excess of \$2,900
13 per annum.

14 (e) In determining the amount to be paid to any
15 State with respect to old-age assistance under title I of
16 the Social Security Act for any quarter which begins while
17 the increases provided for by the foregoing provisions of
18 this section are in effect, the maximum amount of the ex-
19 penditure with respect to any individual which may be
20 counted for any month is hereby increased by 18 per centum.

21 (f) In any case in which the increased payments
22 provided for by this section are paid out of any trust fund
23 or retirement fund, the Government shall pay into such fund
24 an amount sufficient to reimburse it for the increase in pay-

1 ments provided by this section; and such appropriations as
2 may be necessary for that purpose are hereby authorized.

3 (g) The increases in payments provided by sections
4 (a) to (d) of this section shall be paid for the period be-
5 ginning with July 1, 1944 (the date as of which the
6 prohibition in section 3 of this Act against the making of
7 certain payments to aid in reducing or preventing increases
8 in maximum prices becomes effective), and ending with
9 June 30, 1945, or such earlier date as the Congress by
10 concurrent resolution may prescribe.

AMENDMENT

Intended to be proposed by Mr. Pepper to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 10 (legislative day, FEBRUARY 7), 1944

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78TH CONGRESS
2D SESSION

H. R. 3477

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10 (legislative day, FEBRUARY 7), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PEPPER to the bill (H. R. 3477)
to continue the Commodity Credit Corporation as an agency
of the United States, to revise the basis of annual appraisal
of its assets, and for other purposes, viz: At the proper place
in the bill insert the following new section:

1 SEC. . (a) In the administration of the Stabilization
2 Act, approved October 2, 1942, the President shall issue a
3 general order permitting any increase in wages or salaries
4 which will not result in increasing such wages or salaries to
5 a point above the subsistence level, as determined by the
6 Bureau of Labor Statistics. Such Bureau is authorized to
7 determine the subsistence level for the purposes of this
8 section.

1 (b) The provisions of this section shall apply with
 2 respect to increases in wages or salaries occurring on or after
 3 July 1, 1944, the date as of which the prohibition in section
 4 3 of this Act against the making of certain payments to aid
 5 in reducing or preventing increases in maximum prices
 6 becomes effective.

78TH CONGRESS
 2^D Session

H. R. 3477

AMENDMENT

Intended to be proposed by Mr. Pepper to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

FEBRUARY 10 (legislative day, FEBRUARY 7), 1944
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Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, THURSDAY, FEBRUARY 10, 1944

No. 26

Senate

(Legislative day of Monday, February 7, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, as we come at the zenith of noontide glory lift our eyes from the mists and shadows which shroud the valleys to the hills of strength where Thy clear light illumines the rugged peaks. Cleanse our hearts from secret faults that we may behold the spiritual splendor that only the pure in heart can see, lest our souls shrivel in small views and petty hates. In the eternal struggle of truth and error, tyranny and liberty, give us the assurance that we are not alone, we do not stand alone, we do not fight alone; but that Thy increasing purpose is bound up with all this human struggle toward the goal of man's redemption from ignorance, hunger, suffering, and chains.

Above the din of today's war to the death with forces of darkness, keep our spirits steadfast, our hearts courageous, our motives pure, as riding forth with knightly valor we bear in our hands the commission of ancient days: "He hath sent us to bind up the brokenhearted, to proclaim liberty to the captives and the opening of prisons to them that are bound; to proclaim the day of justice of our God." We ask it in the Name above every name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 9, 1944, was dispensed with, and the Journal was approved.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on February 9, 1944, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 1255. An act to revive and reenact the act entitled "An act creating the Arkansas-Mississippi Bridge Commission, defining the authority, power, and duties of said Commission, and authorizing said Commission and its successors and assigns to construct,

maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes," approved May 17, 1939;

S. 1504. An act to extend the time for completing the construction of a railroad bridge across the Missouri River at or near Randolph, Mo.; and

S. J. Res. 63. Joint resolution requesting the President to proclaim February 11, 1944, as Edison Day in commemoration of the birth-day of Thomas Alva Edison.

MESSAGES FROM THE PRESIDENT— APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 9, 1944, the President had approved and signed the joint resolution (S. J. Res. 63) requesting the President to proclaim February 11, 1944, as Edison Day in commemoration of the birth of Thomas Alva Edison.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 1447. An act to remit claims of the United States on account of overpayments to part-time charwomen in the Bureau of Engraving and Printing, and for other purposes; and

H. R. 3687. An act to provide revenue, and for other purposes.

RESIGNATION OF SENATOR HOLMAN FROM COMMITTEE ON THE DISTRICT OF COLUMBIA

The ACTING PRESIDENT pro tempore laid before the Senate a letter from Mr. HOLMAN resigning as a member of the Committee on the District of Columbia, which was read and ordered to lie on the table, as follows:

UNITED STATES SENATE,
February 9, 1944.

Hon. HENRY A. WALLACE,
Vice President of the United States,
Washington, D. C.

MY DEAR MR. VICE PRESIDENT: I hereby tender my resignation as a member of the Senate District of Columbia Committee. I

have submitted a similar notice of resignation to Senator NYE.

Sincerely yours,

RUFUS C. HOLMAN.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Radcliffe
Andrews	Guffey	Reed
Austin	Gurney	Revercomb
Bailey	Hatch	Reynolds
Ball	Hawkes	Robertson
Bankhead	Hayden	Russell
Barkley	Hill	Shipstead
Bilbo	Holman	Smith
Bone	Johnson, Colo.	Stewart
Brooks	Kilgore	Taft
Buck	La Follette	Thomas, Idaho
Burton	Langer	Thomas, Okla.
Bushfield	Lucas	Thomas, Utah
Byrd	McClellan	Truman
Capper	McFarland	Tunnell
Caraway	McKellar	Tydings
Chandler	Maloney	Vandenberg
Chavez	Maybank	Wagner
Clark, Idaho	Mead	Wallgren
Clark, Mo.	Millikin	Walsh, Mass.
Connally	Moore	Walsh, N. J.
Danaher	Murdock	Wheeler
Downey	Murray	Wherry
Eastland	Nye	White
Ellender	O'Daniel	Wiley
Ferguson	Overton	Willis
George	Pepper	Wilson

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Indiana [Mr. JACKSON] is detained on public business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Nebraska [Mr. BUTLER] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

The Senator from Pennsylvania [Mr. DAVIS] is detained on public matters.

The ACTING PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PERSONNEL OF THE LAND FORCES

A confidential letter from the Secretary of War, reporting, pursuant to law, relative to the personnel of the land forces on December 31, 1943; to the Committee on Military Affairs.

PERSONS COMMISSIONED IN THE ARMY FROM CIVIL LIFE

A letter from the Secretary of War, transmitting, pursuant to law, a report showing the name, age, legal residence, rank, branch of the service, with special qualification therefor, of each person commissioned in the Army of the United States without prior commissioned military service, for the period December 1, 1943, through January 31, 1944 (with an accompanying report); to the Committee on Military Affairs.

REPORT OF FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the ninth annual report of the Commission for the fiscal year ended June 30, 1943, together with a statement of certain major developments up to January 1, 1944 (with an accompanying report); to the Committee on Interstate Commerce.

ESTIMATES OF PERSONNEL REQUIREMENTS

Letters, transmitting, pursuant to law, estimates of personnel requirements for the quarter ending March 31, 1944, by the National Housing Agency, the Securities and Exchange Commission, and the Federal Security Agency covering various constituent organizations under that Agency (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

Petitions, numerous signed, of sundry citizens of Brooklyn, N. Y., praying for the enactment of pending legislation providing a wartime method of voting by members of the armed forces; ordered to lie on the table.

The petition of the men's Bible class of the Parnassus Presbyterian Church, New Kensington, Pa., praying for participation by the United States in the establishment of a Christian world order and government; to the Committee on Foreign Relations.

By Mr. WALSH of New Jersey:

A joint resolution of the Legislature of New Jersey; to the Committee on Finance:

"Senate Joint Resolution 1

"Joint resolution memorializing the Congress of the United States to oppose any legislation transferring to the Federal Government the administration of unemployment compensation

"Whereas the Federal Social Security Board, and other Federal agencies and Federal officials, propose to recommend to the Congress plans that will involve the nationalization of unemployment insurance in the 51 States and jurisdictions of the United States; and

"Whereas transfer of these proper State functions to the Federal Government would

eliminate all consideration of local conditions of living and employment; and

"Whereas the balance in the New Jersey fund as of December 31, 1943, is \$308,026,-821.30; and

"Whereas the proposal to federalize unemployment insurance systems of the various States seriously threatens the availability of this fund for use in the State of New Jersey alone, since the unified national system might involve pooling of all State funds; and

"Whereas the New Jersey Legislature by the enactment of chapter 386, pamphlet laws of 1941, directed that the Employment Service Division of the New Jersey Unemployment Compensation Commission, now loaned to the Federal Government for the emergency, be returned to State service: Now, therefore, be it

"Resolved by the Senate and General Assembly of the State of New Jersey:

"1. The Legislature of the State of New Jersey considers that post-war problems may be properly administered only under a State employment security system including both unemployment compensation and employment service and, therefore respectfully urges and petitions the Congress of the United States to oppose the enactment of any proposal involving the transfer of the administration of unemployment compensation from the States to the Federal Government.

"2. The secretary of state be and he is hereby directed to transmit copies of the joint resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, the Senators and Representatives of the State of New Jersey in the Congress, the Federal Security Administrator, and the Federal Social Security Board.

"3. This joint resolution shall take effect immediately.

"Approved February 4, 1944."

The ACTING PRESIDENT pro tempore laid before the Senate a resolution identical with the foregoing, which was referred to the Committee on Finance.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK of Missouri:

S. 1712. A bill to amend the Canal Zone Code; and

S. 1713. A bill to amend the Canal Zone Code; to the Committee on Inter-oceanic Canals.

By Mr. WALSH of Massachusetts:

S. 1714. A bill to reimburse certain Coast and Geodetic Survey and Marine Corps personnel for personal property lost or damaged as the result of a fire at the Marine Barracks, Quantico, Va., on December 16, 1943; to the Committee on Naval Affairs.

By Mr. WHITE:

S. 1715. A bill for the relief of James A. Kelly; to the Committee on Claims.

By Mr. LANGER:

S. 1716. A bill to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended; to the Committee on Finance.

CONTINUATION OF COMMODITY CREDIT CORPORATION—AMENDMENTS

Mr. PEPPER submitted three amendments intended to be proposed by him to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, which were severally ordered to lie on the table and to be printed.

CASE OF BENJAMIN E. COOK, ADMINISTRATOR, ETC., AGAINST THE UNITED STATES—AMENDMENTS

Mr. LANGER submitted two amendments both in the nature of substitutes intended to be proposed by him to the bill (S. 1535) to vest jurisdiction of the District Court of the United States for the Western District of Oklahoma in the case of Benjamin E. Cook, administrator of the estate of Cam C. Boyd, deceased, against the United States, which were referred to the Committee on the Judiciary and ordered to be printed.

EMPLOYMENT AND READJUSTMENT IN CIVILIAN LIFE OF RETURNING WORLD WAR NO. 2 VETERANS—AMENDMENTS

Mr. WAGNER. Mr. President, I ask unanimous consent to submit for appropriate reference amendments intended to be proposed by me to the bill (S. 1617) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

The ACTING PRESIDENT pro tempore. Without objection, the amendments submitted by the Senator from New York will be received, referred to the Committee on Finance, and printed.

Mr. WAGNER. Mr. President, I have just submitted, with the approval of the American Legion, an amendment to Senate bill 1617, the Legion's omnibus bill on Federal Government aid to veterans of the present war. My amendment is a substitute for title V of the bill, relating to veterans' employment service.

During the past few weeks I have had a number of discussions with representatives of the American Legion on this problem and in submitting today a substitute title V, I believe that we have worked out an arrangement which will provide a more effective veterans' employment service. This goes to the heart of the veterans' post-war problem.

The law creating the present United States Employment Service, which I sponsored over 10 years ago, provided for a veterans' employment service. The new provision I have submitted today provides for the establishment of a veterans' placement service board within the United States Employment Service, to consist of the Administrator of Veterans' Affairs as chairman, the Director of the National Selective Service System, and the administrative head of the United States Employment Service. This makes it absolutely clear that the Administrator of Veterans' Affairs—General Hines—has an official relationship with the employment service. This board, of which General Hines will be chairman, would determine all matters of policy relating to the administration of the veterans' employment service.

This arrangement will make it certain not only that the policies of the veterans' employment service are closely coordinated with the policies of the Veterans' Administration but will also make certain that the veterans' employment service will function as an integral part of the United States Employment Service. This is absolutely essential, not only in order to relieve General Hines from

Within the past few months the situation has radically changed again. The need of ammonium nitrate in munitions has decreased greatly and agriculture has fallen heir to a large supply of the material. And the war need for phosphorus for military use is suddenly discovered to be much greater than had been anticipated. New production must be had with all speed. There is now no time to put new phosphate smelting furnaces at Mobile, Ala. They must be put up adjacent to the existing furnaces which draw their raw rock phosphate supply from the Tennessee deposits which are relatively limited. These new furnaces are for war production, and if now needed must be built with all speed. They may be turned to production of fertilizers after the war, but if so will still leave the problem of an adequate supply of concentrated phosphatic fertilizer unsolved. The Mobile plant planned by the Tennessee Valley Authority will still be needed and so will several other plants for the production of concentrated fertilizer. It would be highly desirable that one or more of the new plants needed be built in the West, and a later section of the present report deals specifically with this project.

The problems of a greatly increased supply of phosphatic fertilizer become particularly important in view of the likelihood of a cheaper and more abundant supply of nitrogen for agriculture. Nitrogenous fertilizer is a powerful stimulant of plant growth. And an increased plant growth means an increased uptake of phosphorus and potash from the soil. One of the unfortunate aspects of fertilizer use has long been the fact that a nitrogenous fertilizer accelerates the depletion of the mineral elements of fertility from the soil. If, as a result of the ammonia plants built for war, agriculture is to have cheaper nitrogen, it is certain that this will be a curse rather than a blessing if provision is not made to supply also an abundance of cheap phosphatic fertilizer.

Your committee believes that the need of agriculture for phosphate should be measured by the amount necessary to maintain permanent agriculture, and that it is time to cease measuring need in terms of what the fertilizer industry is prepared to sell.

It appears to your committee that it is high time that the Association of Land Grant Colleges and Universities took an active part in the development and execution of a comprehensive plan to assure agriculture an abundant supply of phosphatic fertilizer in the all-out effort which must now be made for increased food production, and to assure agriculture in post-war years of a supply adequate to maintain soil fertility.

A PROPOSAL FOR THE ESTABLISHMENT OF A FEDERALLY OWNED FERTILIZER FACTORY USING WESTERN PHOSPHATE AND POTASH

The largest and richest of the deposits of natural rock phosphate in the United States lie in the Western States of Utah, Wyoming, Idaho, and Montana. Most of this phosphate is federally owned, some is held by the individual States, and some by private corporations or individuals.

Most of the phosphatic fertilizer used in agriculture in the United States is applied to lands east of the Mississippi River. The rock phosphate from which this fertilizer is produced is mined in Tennessee and in Florida. The deposits in these two States are the only ones of importance in the United States aside from the western deposits mentioned above. Florida is well located to supply phosphate to States on the Atlantic seaboard and Tennessee is well located to supply phosphate to the adjacent Southeastern States. As the States of the upper Mississippi Valley increase their demand for phosphate, as they must inevitably do, the supply must come either from Tennessee or from the West. The phosphate deposits of Tennessee are very small compared with those of Florida

and negligibly small when compared with those of the Western States. An increased demand on the Tennessee deposits will hasten the time, already not far distant, when the Tennessee deposits will be exhausted. In any long-range agricultural program, the western deposits must be called upon to supply the growing phosphate demand of the upper Mississippi Valley, and the sooner this is done the better.

All the commercially exploited potash deposits in the United States are likewise in the western part of the country, some of them on the public domain. At present, potash is being produced commercially at Carlsbad, N. Mex., at Seales Lake, Calif., and at Wendover, Utah. A small plant is being constructed near Salt Lake to utilize the alunite from the Marysville district of Utah. More than 95 percent of the potash produced in these western operations is shipped to consumers in the eastern and southeastern parts of the United States.

The present proposal is that a federally owned and operated fertilizer plant be constructed in the West at a site somewhere in the region where the States of Wyoming, Utah, and Idaho meet. The construction of such a plant may have to be a post-war undertaking. As such it would fall naturally into the class of projects which the Federal Government is now planning to soften the shock of post-war adjustments in employment.

It does not appear that private industry is likely to undertake such an enterprise as herein proposed, at least not in the near future. The risk to capital would be too great and the opportunity for early profits too small to make the venture attractive. On the other hand, it is vitally important to agriculture that the western phosphate deposits be utilized and that the phosphate be made available to agriculture at a price which is not loaded with a large-profit item.

The products of the plant as now visualized would eventually be three in number, namely, a concentrated superphosphate, calcium metaphosphate, and potassium metaphosphate. All of these are fertilizers of high concentration, such as would lead themselves to shipment over longer distances than are permissible for the ordinary fertilizers now in common use.

The blast-furnace process would be used, inasmuch as cheap hydroelectric power is not at present available near enough to the phosphate fields of the West to permit use of the somewhat simpler electric-furnace process. The Tennessee Valley Authority has been studying means of improving this process for the past 10 years and has operated a small blast furnace over periods of many months. The T. V. A. probably has, today, the best information available in the world on the application of the blast furnace to phosphate smelting and the conversion of the phosphorus to concentrated phosphatic fertilizers of various sorts, including the three mentioned above. The processes for producing calcium metaphosphate and the potassium metaphosphate are T. V. A. developments.

If a blast-furnace plant were constructed, it would probably be prudent to produce only the concentrated superphosphate at first. The supplemental plants for the production of calcium metaphosphate and potassium metaphosphate would be relatively inexpensive additions to the initial plant.

Inasmuch as the T. V. A. has recently made an estimate as to the cost of a blast-furnace plant using western phosphate, a copy of the T. V. A. report¹ is hereto appended with permission from the organization. The cost

¹ Report 14, Part II, The Problem of Utilizing Phosphate From Deposits in the Western States: Possibility of Using the Blast Furnace Method. March 1943. Tennessee Valley Authority, Department of Chemical Engineering, Wilson Dam, Ala.

data used in the appended T. V. A. report are necessarily pre-war cost data. The costs shown in the estimate would be somewhat higher if adjusted to present conditions.

E. G. PETERSON,
Utah, Chairman.
R. M. GREEN,
Colorado.
E. J. IDDINGS,
Idaho.
H. A. CURTIS,
Missouri.
WILMON NEWELL,
Florida.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

Mr. CLARK of Idaho. Mr. President, I have at the desk an amendment which has been printed, which I now offer and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, line 17, after the word "to", it is proposed to insert the following: "domestic wool, sugar beets and sugarcane and."

WARTIME METHOD OF VOTING BY MEMBERS OF THE ARMED FORCES—APPOINTMENT OF CONFEREES

Mr. BARKLEY. Mr. President, will the Senator from Idaho permit action on another matter before he asks for action on his amendment?

Mr. CLARK of Idaho. Yes, Mr. President.

Mr. TART. Before action is taken on the amendment I wish to say a word.

Mr. BARKLEY. Mr. President, before we resume the consideration of the pending business there is a matter of privilege which I think ought to be disposed of. On yesterday the House returned to the Senate, Senate bill 1285, and in its message insisted upon certain House amendments and asked for a conference. I ask that the message be laid before the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
February 9, 1944.

Resolved, That the House insist upon its amendments numbered 9, 11, and 12 to the bill (S. 1285) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the places of their residence, and for other purposes; and

That the House disagree to the amendment of the Senate to the amendment of the House numbered 3 to said bill and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. WORLEY, Mr. RANKIN, Mr. BONNER, Mr. LECOMPTÉ, and Mr. ELLSWORTH be the managers of the conference on the part of the House.

Mr. BARKLEY. Mr. President, on behalf of the Senator from Rhode Island [Mr. GREEN], the chairman of the Committee on Privileges and Elections, I ask unanimous consent that the Senate insist upon its disagreement to amend-

ments of the House numbered 9, 11, and 12, that it insists upon its amendment to the amendment of the House numbered 3, and agree to the conference requested by the House thereon, and that the Chair appoint conferees on the part of the Senate.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. McKELLAR. Mr. President, reserving the right to object; of course, as all Senators know, the Senate elects conferees, but ordinarily, instead of going through that form, the chairman of a committee submits a list of Senators to be appointed conferees, and they are usually appointed by unanimous consent. The rule of the Senate is found in rule XXIV:

All other committees shall be appointed by ballot, unless otherwise ordered, and a plurality of votes shall appoint.

Mr. President, I will make a parliamentary inquiry. Under the rules of the Senate do not conferees have to be elected, unless action is taken by unanimous consent?

The ACTING PRESIDENT pro tempore. It is the opinion of the present occupant of the chair that it is the subject of a proper motion that the Senate in the case presented insist upon its disagreement to the House amendments, and that the Chair appoint conferees. That would be a proper motion. That, in the opinion of the Chair, is subject to amendment—

Mr. McKELLAR. Mr. President, the Senator from Kentucky did not make that as a motion. He asked unanimous consent, and I am reserving the right to object.

Mr. CLARK of Missouri. The Senator from Kentucky still can make the motion.

Mr. McKELLAR. Oh, he can make the motion, but it has to be passed upon by the Senate.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. BARKLEY. There is no question about that.

Mr. McKELLAR. Mr. President, I shall state the reason why I take the position I do. We all know that there has been a very active fight over the measure in the Senate. As I understand, under the proposal made by the chairman of the committee, represented as he is at the moment by the Senator from Kentucky [Mr. BARKLEY], members of the subcommittee which handled the measure would be appointed conferees. The subcommittee is composed of four Senators who favor the Federal ballot plan and one who favors the other plan. The vote in the Senate was exceedingly close. I think the measure was passed by two or three votes—I have forgotten which.

Mr. BARKLEY. Mr. President, the Senator is mistaken. The final vote was 45 to 51. The other vote was 46 to 40.

Mr. McKELLAR. Yes; but when the test vote came the vote was 42 to 44, or 42 to 46, I have forgotten which.

Mr. BARKLEY. Forty-one to forty-five. But be that as it may—

Mr. McKELLAR. But that is an exceedingly small difference.

Mr. President, I think it is utterly unfair and unjust that we should send this bill to a conference with four conferees on one side and one on the other. For that reason it seems to me to be appropriate and proper that the Senate, before doing anything, should vote on the question. Action should not be taken by unanimous consent. I am unwilling to consent to the proposal, and I therefore object to action being taken by unanimous consent.

Mr. CLARK of Missouri. Mr. President, will the Senator from Tennessee withhold his objection for a moment?

Mr. McKELLAR. Certainly.

The ACTING PRESIDENT pro tempore. Does the Senator yield to the Senator from Missouri?

Mr. McKELLAR. I yield.

Mr. CLARK of Missouri. Mr. President, reserving the right to object myself in order to get the floor, I should like to say that we fought for 2 weeks in the Senate on the question of the soldiers' right to vote. The question was decided on a number of significant ballots, not by a large majority, "not so deep as a well, nor so wide as a church door," but it was enough to indicate the position of the Senate on the question. I should like to suggest to my dear friend, the senior Senator from Tennessee, that the Senate is entitled as a matter of absolute right to have conferees who represent the final action of the Senate.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. CLARK of Missouri. The Senator from Tennessee has the floor of course.

Mr. McKELLAR. Let us look at the question as a matter of right. Is it possible, after the close vote we had in this body that the Senator thinks the conferees ought to be selected on the basis of four on one side and one on the other side?

Mr. CLARK of Missouri. Mr. President, I think they ought to represent the ultimate decision of the Senate, and I think that is the only theory of a conference.

Mr. McKELLAR. Four to one?

Mr. CLARK of Missouri. I have seen the Senator from Tennessee himself repeatedly recommend the appointment of conferees, not on the ground of seniority, but from among the Senators who have been engaged in the handling of a particular bill. In other words, the Senator always wants his own subcommittee when he is in charge of a bill.

Mr. McKELLAR. Oh, of course, and every other chairman wants the same thing.

Mr. CLARK of Missouri. Yes.

Mr. McKELLAR. But not always.

Mr. CLARK of Missouri. The Senator wants to have his cake and eat it, too.

Mr. McKELLAR. The three highest ranking members of the Appropriations Committee on the Democratic side and the two highest ranking on the Republican side are usually chosen. That is done by unanimous consent.

Mr. OVERTON. Mr. President—

Mr. CLARK of Missouri. Why, Mr. President, of course, and that is the decent thing to do.

Mr. McKELLAR. No question is raised about it. But I desire to say that the Senator has never heard me ask unanimous consent that the conferees on a question be in the ratio of 4 to 1, and I challenge him or any other Senator to find any record which would show that I wanted to hog the whole thing. I am perfectly willing to have the 3 to 2 ratio now. I should be willing to grant unanimous consent, so far as I am concerned, if my friends on the other side would be willing to take 3 and give us 2. But when they want 4 to 1, that is going a little too far, and I do not think it is fair; I do not think it is just; I do not think it is in accordance with the sentiment of this body as expressed on numerous votes. For that reason, I object.

Mr. BARKLEY. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Kentucky?

Mr. BARKLEY. The Senator from Tennessee has objected. Now I wish to enter a motion.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. Before entering the motion, let me make an observation. It has been the universal custom in the Senate, to which there has been no exception so far as I recall, that in the appointment of conferees on the part of the Senate the Chair be authorized to appoint the conferees. In carrying out that authorization it has been the universal custom for the chairman of the committee handling the legislation to suggest to the Chair the names of the conferees. If that is now denied to the chairman of this committee, it will be a denial which has never been registered, so far as I recall, against any chairman of any Senate committee handling legislation.

Furthermore, it has been customary—not invariably the rule, but in nearly all cases it has been the rule—when a subcommittee has been appointed in a committee to deal with the subject of proposed legislation which finally passed the Senate, and upon which a conference is sought and obtained, to suggest to the Chair the appointment as conferees of the members of the subcommittee which handled the legislation and dealt with the subject in the full committee.

I can say to the Senator from Tennessee, the Senator from Louisiana, and to all other Senators, on behalf of the Senator from Rhode Island [Mr. GREEN] that it has been and is his purpose to suggest to the Presiding Officer that the members of the subcommittee which were appointed in the full committee be made the conferees on the part of the Senate in connection with this legislation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. Just a moment, please. I will give the names of the members of that subcommittee: The Senator from Rhode Island [Mr. GREEN], the Senator from New Mexico [Mr. HATCH], the Senator from West Virginia [Mr. KILGORE], the Senator from Vermont [Mr. AUSTIN], the Senator from

own right. Will the Senator yield to me for a moment?

Mr. CLARK of Idaho. I am glad to yield.

Mr. McKELLAR. Some question was raised here about the ages of two Senators, I being one and the Senator from Kentucky [Mr. BARKLEY] the other. The Senator from Kentucky made the astounding statement that when I was in the House of Representatives a good many years ago, he was a boy in short breeches. I wish to read from the Congressional Directory the biographical sketch of the Senator. He was born in Graves County, Ky., November 24, 1877. I went to the House in 1911. Therefore, when my distinguished friend was wearing short breeches, he was just 34 years of age. I am utterly astounded that, though he came from Graves County, Ky., in the country, he should have been wearing short trousers—short breeches—at that time. [Laughter.]

Mr. BARKLEY. Short pants.

Mr. McKELLAR. Thirty-four years old, and wearing short breeches! The remarkable thing about it is that the very next year he was elected to the House of Representatives. I wonder whether he was in short breeches when he came to the House of Representatives in 1913.

Mr. BARKLEY. If the Senator will yield in that connection, I have never denied my age. It is in the directory, where everyone can see it. I have searched in vain to find in the directory the age of my very dear friend, the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I received hundreds of letters of congratulations and innumerable telegrams just a few days ago when I celebrated my birthday.

Mr. BARKLEY. How old was the Senator?

Mr. McKELLAR. Seventy-five years old, and the Senator is 9 years younger than I am.

Mr. BARKLEY. I move, therefore, to insert in the biographical section of the Congressional Directory the date of the birth of the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. BARKLEY. Getting back to short pants, I merely wish to say that when I came to the House of Representatives in 1913 at the age of 34, I was in long pants, but the Senator from Tennessee has been trying to pull them off me or shorten them ever since. [Laughter.]

Mr. WILEY. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Wisconsin?

Mr. CLARK of Idaho. I yield.

Mr. WILEY. I have enjoyed the exchange of ideas this morning, and I thought perhaps it might be worth while to give the sentiments in relation to the soldiers' vote of a very distinguished citizen of my State, who is now serving on one of the great "battle wagons" of the Navy. He has written about several subjects, but I shall quote his language regarding the vote question, because I think what we have done during 2 weeks of discussion has tended to cause the folks on the home front to become

pretty well confused mentally as to the nature of the soldier-vote ballot and the significance of what the soldier thinks on this subject. I quote:

In the first place, from what I have observed, the men in the armed forces don't seem to care much whether Congress passes a soldier's voting law or not, but on the contrary, think that the furore that it has been causing in political circles is extremely funny. I actually question whether even if a Federal law is enacted the men in the armed forces will utilize the privilege of voting, simply because they have plenty of other important things to think about, and mainly their paramount desire is to get the war finished and get home.

I now quote his second suggestion:

Secondly, the mustering-out-pay bill is felt to be closely associated with the right of the soldiers to vote, that the impression the boys at the front have is that it is so much pap and a damn high price to pay for votes. The fellows who get out of this deal with a whole hide aren't going to ask for anything, and mainly want to know that those thousands whose lives are going to be ruined are taken care of.

Mr. President, I have received many letters along this line. This one came in this morning from this distinguished citizen, who, as I have said, is serving on one of the great "battle wagons" in the fleet.

I think many times we "miss the boat" here, and I think we probably have missed it a great deal during the discussion of the subject of soldiers' voting. Let us get the ballots out to the servicemen. I think there is more confusion on this subject than on any we have discussed in the Senate for months.

Mr. CLARK of Idaho. May I interrupt the Senator?

Mr. WILEY. Certainly.

Mr. CLARK of Idaho. I have just a little amendment, which will take only about a minute. It is noncontroversial; and the Senator from Alabama [Mr. BANKHEAD] has to leave the floor, and I want him to hear the amendment explained. Then the Senator may have his own time. Will that be all right?

Mr. WILEY. Certainly.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

Mr. CLARK of Idaho. Mr. President, the clerk has already reported the amendment, which proposes, on page 10, line 17, after the word "to", to insert the words "domestic wool, sugar beets, sugarcane, and."

Mr. President, it was never the intention of the author of the bill, or of the committee, to bring within the prohibitions of the bill the sugar quotas, and words which we thought provided for that are already incorporated in the Bankhead bill, or, to be more exact, the committee amendment. However, since the bill came out of committee some question has arisen as to whether the words in the committee amendment are sufficient to achieve the result which they were intended to accomplish, and

in order to clear up any uncertainty the words provided in my amendment are now proposed.

I have discussed the matter with the Senator from Alabama, and the amendment is perfectly acceptable to him, and should not be controversial.

Mr. TAFT. Will the Senator yield?

Mr. CLARK of Idaho. I yield.

Mr. TAFT. What about wool? I have never heard of a wool subsidy. This is the first mention I have heard that one is to be permitted.

Mr. CLARK of Idaho. There is very little likelihood that wool comes within the prohibitions of the bill, because there is no wool subsidy. However, the Commodity Credit Corporation has been buying domestic wool, at ceiling prices, less certain handling charges, in order to protect the market. Some slight question was raised as to whether that might not be considered to be within the language of the committee amendment, and, in order to be absolutely certain, I have included wool.

Mr. TAFT. I thank the Senator.

Mr. JOHNSON of Colorado. Will the Senator yield?

Mr. CLARK of Idaho. I yield.

Mr. JOHNSON of Colorado. With regard to wool, may I ask the Senator whether the amendment would protect the large supply of domestic wool which is stored? As the Senator well recalls, in this country we have three categories of wool. We have foreign wool that is owned by the R. F. C., purchased through the War Production Board; we have other wool, which is held here for foreign governments; then we have the third category, a large supply of domestic wool which is being held by the Commodity Credit Corporation. Is the Senator satisfied that his language would not compel the domestic wool to be thrown on the market as distress wool?

Mr. CLARK of Idaho. The language in the proposed amendment specifically exempts from the provisions of the Bankhead bill the entire wool-purchasing program, and while I do not think it is really essential, if it is necessary, it would enable the Commodity Credit Corporation, when in its judgment it should do so, to continue to purchase domestic wool—not the British wool—at ceiling prices, less handling charges.

Mr. JOHNSON of Colorado. The Commodity Credit Corporation has not been purchasing foreign wool; it has been purchasing only domestic wool.

Mr. CLARK of Idaho. It has been purchasing only domestic wool.

Mr. JOHNSON of Colorado. I am glad the Senator from Idaho presented the language of his amendment in order to clarify the situation.

I should like to ask another question in regard to sugar. As the Senator knows, we have two payments made to sugar; one is the so-called benefit payment which is financed by the sugar industry itself at no cost to the Treasury, and then there is the incentive payment. Does the Senator's amendment make it crystal clear that both these subsidies or payments would be continued?

Mr. CLARK of Idaho. I am perfectly satisfied that it does. I have discussed

the matter with the solicitor of the Department of Agriculture. As a matter of fact the language is largely his, and I am perfectly satisfied that it protects the sugar situation in its entirety.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CLARK of Idaho. I yield.

Mr. ELLENDER. The question asked by the Senator from Colorado was one I also intended to ask, regarding incentive payments. Does the Senator's amendment cover the freight and insurance subsidies on sugar?

Mr. CLARK of Idaho. Yes; I think so definitely. I took that matter up also with Dr. Hutson and have all the figures respecting it. I am perfectly certain it covers the matter referred to by the Senator. It exempts sugar and sugarcane completely from the prohibitions of the bill.

Mr. ELLENDER. The language in the Bankhead substitute is:

That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats—

And so forth. It strikes me that the word "domestic" would also refer to sugar.

Mr. CLARK of Idaho. No; because the language of my amendment comes right after the word "to." I propose to insert "domestic wool, sugar beets, and sugarcane and", and the word "competitive" follows immediately. So that it would apply to foreign as well as to domestic sugar.

Mr. ELLENDER. Yes.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CLARK of Idaho. I yield.

Mr. MILLIKIN. I should like to say that in view of the explanations which the Senator has made to my distinguished colleague, the senior Senator from Colorado, if there were a record vote I should be very happy to vote for the Senator's amendment.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. CLARK of Idaho. I yield.

Mr. BANKHEAD. The statements made by the junior Senator from Idaho deal with matters which are familiar to me. I thought when we placed the provision in the bill authorizing, under title III of the Sugar Act of 1937, benefits to the sugar growers, that it covered the entire situation. That was the intention of the author of the provision. My attention was called later to the fact that one of the three benefit payments might not be covered. I then suggested that an amendment be prepared which would wholly and adequately protect sugar in all the payments being made to it, and the solicitor of the department has prepared the language of the amendment which the Senator from Idaho has submitted. I hope the amendment will be agreed to.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. CLARK of Idaho. I yield.

Mr. OVERTON. I should like to ask a question of the Senator from Alabama. As I understand, his bill, as reported, would protect all payments on sugar with

the possible exception of incentive payments.

Mr. BANKHEAD. That is correct.

Mr. OVERTON. And the amendment now offered by the Senator from Idaho protects the incentive payments.

Mr. BANKHEAD. I have been so assured by the Solicitor of the Department who rules on the matter, so I am sure it is correct.

Mr. TAFT. Mr. President, has the Senator from Idaho concluded his discussion?

Mr. CLARK of Idaho. Yes. Has the amendment been agreed to?

The ACTING PRESIDENT pro tempore. No; action has not yet been taken on the amendment.

Mr. TAFT. I wish to speak to the amendment, Mr. President. I shall not object to it, because I think there should be some subsidies, but I wish to point out the completely illogical nature of this kind of an exception. It is, of course, illogical to make exemptions, as is done by the bill in this language:

That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oil seed and oil-seed meals.

There is no more reason why they should be excepted from the antisubsidy principle than beef or anything else. This exception will permit roll-back subsidies on domestic oil seed, it will permit roll-back subsidies on sugar, it will permit roll-back subsidies on wool when the pending amendment shall be adopted. It will permit any kind of subsidies—consumer subsidies or producer subsidies. The exception being made is simply an exception as to commodity, and certainly no one can oppose subsidies in principle if exceptions are going to be made with respect to oil seed and wool and sugar and anything else that Senators may suggest is of interest to his section of the country.

The point I wish to make is that if we are going to permit subsidies we ought to permit certain kinds of subsidies in accordance with some kind of logical principle, and not simply by the exception of some particular commodity. I have no objection to the addition of this amendment to the bill, but certainly there is no logical reason that I can see for exempting one commodity if we are not going to permit subsidies in the case of other commodities.

Mr. MURDOCK. Mr. President, as a member of the Committee on Banking and Currency I had full understanding from the Senator from Alabama that the sugar-beet industry of the West, and also wood, were fully protected under the terms of this bill. I wish to take this opportunity of expressing myself as being in full agreement with the amendment offered by the distinguished Senator from Idaho, and if there is any question about the language in the Bankhead bill as it was reported, I am very happy at this time that that language has been corrected by the amendment offered by the Senator from Idaho.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the

amendment offered by the Senator from Idaho [Mr. CLARK].

The amendment was agreed to.

Mr. TAFT. Mr. President, I offer an amendment which I ask to have stated.

Mr. BANKHEAD. Mr. President, will the Senator yield to me for a moment?

Mr. TAFT. May I offer the amendment and have it stated first?

Mr. BANKHEAD. Very well.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, it is proposed to strike out all of line 23 after the colon, and all of lines 24 and 25, inclusive; also on page 10, lines 1 to 15 to the colon in line 19, and insert:

Provided further, That nothing herein shall apply to payments made to the shippers of commodities or others to cover the increased costs, resulting from the war emergency, in connection with the transportation of such commodities.

In order to secure the maximum necessary production of agricultural commodities in 1944, the Administrator of the War Food Administration shall, as soon as practicable after the passage of this act, list and announce such support prices as he finds necessary pursuant to the provisions of section 4 of Public Law No. 147, approved July 1, 1941, as amended. The War Food Administrator may exercise, through the Commodity Credit Corporation, the powers conferred on the Price Administrator by paragraph (e) of section 2 of the Emergency Price Control Act of 1942 to buy and sell agricultural commodities, and if he announces the price at which he will buy such commodities for any specified crop or period of time, such announcement shall be deemed to establish a support price. He may from time to time announce additional support prices, or increase existing support prices. He shall list, and announce the confirmation and approval of, support prices already in effect for 1943 or 1944 production.

Whenever any support price has been announced, the Administrator shall maintain such price or cause such price to be maintained in all producers' markets throughout the United States (unless the support price is limited to particular marketing areas, in which case he shall maintain such price in such areas) either by causing actual purchases to be made by some agency of the United States Government, or by contracts with processors or distributors under which they obligate themselves to pay the support price, or otherwise. All departments and agencies of the Government shall cooperate to secure that result. No maximum price heretofore or hereafter established for any commodity shall be below the support price therefor so announced, or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942. In any case in which a support price for an agricultural commodity is announced and maintained, and a fixed maximum price is prescribed for the sale by processors and distributors of any article processed from such agricultural commodity, the War Food Administrator may direct the Commodity Credit Corporation to pay to the processor or distributor of any such article an amount per unit of the processed article (without relation to the profits of any particular processor or distributor) for the purpose of making the margin between the producer and the consumer less than it would otherwise be, by the amount of the payments made per unit by the Commodity Credit Corporation. The Commodity Credit Corporation may accomplish the same purpose, when it purchases any agricultural commodity, by selling such commodity at a loss to the processor to be used for the pur-

pose of processing, without affecting the general market price at producers' markets for unprocessed commodity. No subsidy shall be paid on liquid milk unless in any particular area a support price is announced and maintained to the producers of milk within that area, in which case payments may be made to the distributors of milk within such area under the authority hereinbefore conferred, provided the margin in the price of milk between the producer and the consumer is thereafter less than it would otherwise be, by the amount per unit of the subsidy.

The total payments made to processors and distributors, plus all losses taken by the Commodity Credit Corporation under the provisions of the preceding paragraph, shall not exceed \$950,000,000.

Mr. TAFT. Mr. President, Senators will find copies of my amendment on their desks. They will note that a change has been made in line 3, on page 1, after the word "line", to strike out "15" and insert "19."

I now yield to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, there are three clarifying amendments which I should like to have acted on at this time. They change no material provision in the bill. I ask that the first amendment be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, in line 1, it is proposed to strike out "October 13, 1943", and insert in lieu thereof "January 14, 1944."

Mr. BANKHEAD. The date of October 13, 1943, of course, has long since passed, and the amendment would bring the matter down to the current date.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BANKHEAD. I offer another amendment which I ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, in line 21, it is proposed to strike out the words "or maintain."

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BANKHEAD. Mr. President, I send to the desk another amendment, which I offer and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, line 3, it is proposed to strike out "but winding up and liquidating such programs shall proceed after the date of enactment of this act, and shall be completed within a reasonable time not later than June 30, 1944," and insert in lieu thereof the following "but such programs shall be completed not later than June 30, 1944."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Alabama.

Mr. ELLENDER. Mr. President, will the Senator explain what difference the amendment would make?

Mr. BANKHEAD. In the original bill it was required that the liquidation should begin January 1, promptly after the completion of the limitation. We propose to strike that out, and to leave

the same date for completion that was contained in the original bill, namely, June 30, 1944.

Mr. ELLENDER. As I understand the language which is sought to be stricken, the liquidation would start immediately, and would have to be completed by June 30, 1944.

Mr. BANKHEAD. Yes.

Mr. ELLENDER. As I understand the proposed amendment, the liquidation will begin just as soon as the bill is enacted.

Mr. BANKHEAD. I do not see how the Senator gets that understanding. The amendment proposes a liberalization, rather than a restriction.

Mr. ELLENDER. I was simply endeavoring to find out the difference.

Mr. BANKHEAD. The amendment refers to fixing the date for beginning liquidation. It simply provides that on June 30 it will end. That is all.

Mr. ELLENDER. And as the Senator stated yesterday, all programs which are now in force can be carried out to the same extent as they are now being carried out, until June 30, 1944.

Mr. BANKHEAD. That is correct.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Alabama on page 10, lines 3 to 6.

The amendment was agreed to.

Mr. BANKHEAD. Mr. President, the Senator from Kansas [Mr. REED] has an amendment. He is not now in the Chamber at the moment. The amendment lies on the desk. I suppose we shall have an opportunity to take it up later.

Mr. TAFT. Mr. President, I believe my amendment comes next in order.

Mr. BANKHEAD. Very well, Mr. President; I do not insist on now taking up the Reed amendment.

Mr. TAFT. Mr. President, there has been question raised, and I have finally concluded that, in my amendment, the figure in line 3 should be "15", as it originally was, instead of "19", so as to make the language read: "To the colon in line 15." I therefore wish to delete the previous modification of my amendment.

The ACTING PRESIDENT pro tempore. The Senator has a right to do so, and the modification will be deleted.

Mr. TAFT. Therefore, Mr. President, I am offering the amendment to the committee amendment exactly as it is printed and lies on the desks of Senators.

Mr. President, the demand for a billion and a half dollars of subsidies is based on the claim that by that means it will be possible to hold the line, absolutely fix prices, and fix wages. That is the only basis for the proposal. No one wants to pay subsidies. Everyone admits that, in general, subsidies are undesirable unless absolutely necessary; and the only justification for the all-out subsidy program is that by that means it will be possible to hold the line.

I suggest that the whole inflation problem is much more complicated than that, that there are many other ways by which we can hold the line or can hold down prices, and that there are many other things which should be done. This is only one feature of a very extensive

program. I suggest that, as a matter of fact, the hold-the-line theory is unsound, unwise, and impossible, and that therefore the whole basis for the general subsidy program is, it seems to me, unsound. I do not need to suggest the other things which bring about inflation.

The first remedy which is necessary is to reduce governmental expenditures as much as possible. Inflation is brought about only by the governmental deficit, and by no other cause. If it were not for the governmental deficit there would not be any difficulty. But there is a deficit. There has been some reduction of expense. The committee of which the able junior Senator from Virginia [Mr. BYRD] is chairman has brought about a reduction of governmental expenses. The War Department has to some extent been scaling down expenses in the war effort itself. But it seems to me to be obvious that expenditures can be further reduced, and that the war can be conducted, without any deterioration in the effort, in a less wasteful manner.

In the second place, we must increase taxes as much as possible. I regret that in the recent tax bill we did not increase them somewhat more; but the question whether taxes are to continue as they are today—\$42,000,000,000—or are to be \$5,000,000,000 more, after all is not going to be the fundamental issue; because there is still a deficit of approximately \$50,000,000,000.

In the third place, there must be an effort to sell bonds to the people who have real savings, because to the extent that we can take savings which otherwise would be spent and can have them placed in Government bonds and into the hands of the Government, we help to check inflation. We must check as much as possible the sales of bonds to commercial banks, which create purchasing power out of thin air, and we must reduce the tremendous purchasing power which hammers on the walls of the price structure.

In the fourth place, we must control prices to a large extent by rationing. If we artificially cut down, by rationing, the demand for a certain commodity, certainly the demand upon that particular commodity can be removed. The rationing program is just as important a feature as is the subsidy program.

But, finally, with all of this we must have, under these conditions, price and wage control. No matter how we conduct our other policies, I do not believe we can eliminate a certain amount of inflation—that is to say, a certain increase of purchasing power—which will force prices up, particularly in view of the psychology of war, with constant rumors of shortages, even if the shortages do not actually exist.

So, Mr. President, from the beginning I proposed a price-control program and did so before the administration proposed it, and I proposed a wage-control program and did so before the administration proposed it. I think a continuation of those programs is necessary, but I do not think it is necessary to enforce them by a general subsidy program.

On the other hand, I think there are subsidies which are helpful. Subsidies may be used in various ways. They may be used, as in the case of copper, to subsidize high-cost producers and to save money. I do not think that in the food field or in the agricultural field we can attempt to subsidize particular high-cost producers. The consequences of such a policy, I think, would be much worse than any advantages which could be derived from it.

However, in some instances, by a subsidy on one commodity we can perhaps save consumers a great deal more money than is spent for the subsidy. Take the case of the oil-seed subsidy. If by subsidizing soybeans and peanut oil we raise the prices paid to farmers for those commodities, but do not raise the prices paid for them by consumers, then we are not forced to go on and also raise the price of lard and the price of cottonseed oil and the prices of other fat products which the consumers buy. Consequently, with an expenditure of, let us say, \$20,000,000 for those two commodities, we can save consumers approximately \$80,000,000 on all oil and fat products. Therefore, I think there are subsidies which can result in some advantage.

We have heard reference to the spiral of prices and wages. Undoubtedly if wages rise somewhat, there is a pressure to raise prices; and if prices rise, there is a pressure to raise wages. But that is a very slow process. After all, wages are increased only once a year, as a rule. If by the use of subsidies we can slow up that process, if by temporary subsidies we can postpone the increase in prices, I think subsidies may very well be used.

It is only when we come to subsidies all across the board that I see no justification for such a policy, for if the Government pays \$100,000,000 in order to save the consumers \$100,000,000 I believe that is just about as inflationary as to let prices paid by consumers go up, for the reason that the Government has to borrow the \$100,000,000 and must borrow it from commercial banks, since we have largely exhausted individual savings, and thus the \$100,000,000 will be available to hammer further the line on price control. If we are going to support the subsidy program as a hold-the-line measure, then we shall have to hold the line completely. We shall have to prevent any increases in prices. If we are going to vote to do that, I believe the increase will cost in the neighborhood of \$4,000,000,000 or \$5,000,000,000 during the first year, if we are really going to hold the line, because the natural forces of increase are such that they are bound, I believe, to increase prices 5 or 6 percent in a year. Five or six percent means four or five billion dollars of subsidies which we shall have to pay if we are to try to hold the line.

I think the hold-the-line theory is wrong. It is a popular theory. It is supposedly advocated by the administration. The theory is that we absolutely freeze all prices and all wages where they are. There are two objections to that. In the first place, it freezes injustices, and the American people will not stand

for injustices. It attempts to freeze substandard wages. What did we do? We immediately enacted a wage law providing that substandard wages might be raised, because we recognized the justice of it.

The freezing of prices has resulted in many small businessmen being put out of business. Small packers in Cincinnati, and many others, have been forced out of business by price control. They have been forced out of business through an unjust act. The American people feel that those people should have a proper margin, and that it is only fair to give it to them. If we refuse to give it to them, we create an injustice which I think has had much to do with the break-down of morale in the home front, criticism of the Government, and resentment against the Government, because these things are unjust.

We have had brought to our attention on the floor of the Senate one thing after another which strikes the ordinary man as utterly unjust. It is the result of the absolute theory that we must hold the line regardless of what injustices occur. I say that if the hold-the-line theory is unsound because it freezes injustice, the American people will not approve the freezing of injustice.

In the second place, it is very likely to limit production, and has limited production in many fields, because obviously things change; and as we go on, producers shift their production to the thing which is most profitable. If there is an especially low price for a particular commodity, and we freeze it there, we do not get any of that commodity into production. The hold-the-line theory destroys production. The Senate considers that to be unfair. We put in a provision that the farmer should receive not less than parity, and that his prices should not be frozen below parity, because we thought it was unjust that he should receive a price lower, in comparison, than other sections of the American population were receiving.

After all, getting production is even more important than control of inflation. It is most important that we have production. When that conflicts with inflation, the inflation policy is modified. It has been modified. That breaks down the whole theory that we can freeze prices and wages at a given level and keep them there indefinitely.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. La FOLLETTE in the chair). Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. TAFT. I yield.

Mr. McKELLAR. As I construe the Senator's amendment, it differs only in degree from the amendment of the Senator from Connecticut [Mr. MALONEY], which was rejected yesterday. The amendment of the Senator from Connecticut provided for the continuation of the subsidy-to-consumers program, and authorized the appropriation of one and a half billion dollars.

As I understand the amendment of the Senator from Ohio, it would continue the subsidy program and authorize an

appropriation of \$950,000,000. As I understand, that represents a difference only in degree. Both amendments would fix upon the country the system of subsidies to consumers at a time when consumers are in a better position to pay for what they consume than ever before in our history. Does not the Senator believe that we ought not to establish a system of subsidies to consumers as a policy at this time?

Mr. TAFT. Mr. President, there is no such thing as a subsidy to consumers. The theory that we can distinguish between producer subsidies and consumer subsidies is a complete fallacy. If we pay the producer a subsidy, why do we pay it to him? We pay it to him because he is entitled to a higher price, and we do not wish to pass the higher price on to the consumer. The only purpose of subsidies is to reduce the margin between the producer and the consumer. The question of where to fix the producer's price or the consumer's price is an entirely different question. We have given the O. P. A. authority to fix prices.

On the question of subsidies, it makes no difference to whom the subsidy is paid, the effect and purpose are the same. The purpose is to increase the farmer's price without increasing the consumer's price. In one case which was brought to our attention the purpose was to reduce the consumer's price without reducing the producer's price. That is the purpose of subsidies. We cannot draft a bill which will distinguish between them. We can distinguish so far as concerns the question of who receives the money; but the purpose of all subsidies is exactly the same, and the effect of all subsidies is exactly the same.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. There is a difference, is there not, between a support price and a consumer subsidy?

Mr. TAFT. The support price is a price promised by the Government to the producer. Every subsidy in the whole list is a consumer subsidy. Every one of them reduces the price to the consumer. That is their only purpose. However, a support price is an entirely different thing. That is a promise. If the Senator will allow me to explain, I will digress from my statement and explain this proposal.

It is more than simply an appropriation of \$950,000,000. If the Senator will read the amendment, he will find that, in the first place, it expands the ability of the Government to pay support prices. It provides in so many words that not only may support prices be announced under the Steagall Act, Public Law 147, approved July 1, 1941, but it also provides that—

The War Food Administrator may exercise, through the Commodity Credit Corporation the powers conferred on the Price Administrator by paragraph (e) of section 2 of the Emergency Price Control Act of 1942 to buy and sell agricultural commodities, and if he announces the price at which he will buy such commodities for any specified crop or period of time, such announcement shall be deemed to establish a support price.

The Steagall Act did not authorize support prices in the case of basic commodities, corn, wheat, cotton, rice, and tobacco. This would authorize a support price in those cases, as well as in the cases covered by the Steagall Act.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. That is not the answer to my question.

Mr. TAFT. No; but I wish to explain the whole thing.

So, in the first place, this amendment authorizes support prices in every case. It authorizes subsidies only in cases in which support prices are announced and maintained. It provides that if the War Food Administrator announces the price at which he will buy the commodity, the Administrator "shall maintain such price or cause such price to be maintained in all producers' markets throughout the United States (unless the support price is limited to particular marketing areas, in which case he shall maintain such price in such areas) either by causing actual purchases to be made by some agency of the United States Government, or by contracts with processors or distributors under which they obligate themselves to pay the support price, or otherwise."

There has been much loose talk about support prices which have not been maintained, notably in the case of hogs. My amendment provides, first, that if a support price is announced, the Government shall use every means at its disposal to maintain such support price.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. Would the support price have to be for any length of time, or would it be in the discretion of the Administrator?

Mr. TAFT. It would be within the discretion of the Administrator. As a rule he announces a support price for one crop, and agrees to maintain it for that crop. My amendment provides that a subsidy may be paid only when a support price has been announced. If it is desired to continue the beef subsidy, about which there has been much dispute, the Government must announce a support price for beef. I do not know whether it can do so. If it cannot, it cannot pay the beef subsidy. If a support price for beef can be established, a subsidy may be paid to the processor, but the support price must be maintained.

In other words, the effect of this rollback subsidy, according to the producer, was to push down the price to the producer. The O. P. A. said "That was not intended. We did not do it. Other things caused that." In any event, my amendment provides that the subsidy may not be continued unless a support price is maintained. The beef subsidy could not be paid unless a support price for beef was maintained.

The amendment provides further:

All departments and agencies of the Government shall cooperate to secure that result. No maximum price heretofore or hereafter established for any commodity shall be below the support price therefor so announced.

That is in the Bankhead bill, but, of course, the Bankhead bill relates support prices only to the nonbasic commodities.

My amendment provides further that—

In any case in which a support price for an agricultural commodity is announced and maintained, and a fixed maximum price is prescribed for the sale by processors and distributors of any article processed from such agricultural commodity, the War Food Administrator may direct the Commodity Credit Corporation to pay—

A subsidy. That is the plan. The subsidy can only be paid to reduce the margin between the producer and the consumer. The effort is to make sure that both the producer and the consumer shall receive the benefit of the reduction of the margin. That is the limitation, and that is the only way I can see by which to distinguish between the different kinds of subsidies. If the Government will establish a support price in advance and say to the producer, "If you produce this product you will get this price," then the Government may go further, and in passing the support price on to the consumer it may subsidize the process so that the consumer will not be subjected to the full force of the support price, which is usually an increased price in order to secure greater production. That is the general plan.

The total amount of the subsidy is limited by my amendment to \$950,000,000. That is somewhat more than I personally would propose, but the President asked for that amount in his message. He said he wanted 1 percent of the Government's expenditures, which are about \$95,000,000,000, and I therefore took that amount, because the actual amount did not seem to me to make a great deal of difference, even if it were possible to limit the type of subsidy.

I have included at the end of my amendment a special provision dealing with milk, although there is some question about whether it is necessary, because it practically repeats what is said elsewhere in the bill with respect to particular areas. The language to which I refer reads as follows:

No subsidy shall be paid on liquid milk unless in any particular area a support price is announced and maintained to the producers of milk within that area, in which case payments may be made to the distributors of milk within such area under the authority hereinbefore conferred, provided the margin in the price of milk between the producer and the consumer is thereafter less than it would otherwise be, by the amount per unit of the subsidy.

In other words, a particular milk area can be taken, and we can assure the farmers that he will receive a certain price for his milk. We can then subsidize that price so that the consumer will obtain the benefit of a slightly lower price than would result from the guaranteed price to the farmer.

Mr. President, I wish to return for a moment to the general question relating to the theory of holding the line, and the reason why the general subsidy policy cannot possibly be justified on that ground. As a matter of fact, the Government has not succeeded in holding the line. The actual figures show that, while the cost of living has gone up from 100 to 124½, say 25 percent in 3 years, and

has gone up 5 percent in the last year, the average hourly wage rate paid to labor has gone up from 67.6 cents to 98.9 cents, or an increase of 46 percent.

During the past year, while prices have been held to about 5 percent, the actual cost of labor has gone up 9 percent. The average weekly earnings of labor have gone up from \$26.90 to \$44.90 in 3 years, or an increase of 67 percent. In the past year they have gone up 12 percent.

The inflationary factor, as I see it, is the average hourly wage cost. It may be due to overtime or it may be due to various other things, but the average cost to the employer of 1 hour of labor is the factor which goes into his costs, and that is the factor which is bound to increase the prices ultimately, if the increase actually occurs.

So, in spite of everything which has been done, it has not been possible to hold the line, and it never will be possible because the control of wages is an infinitely difficult problem. They cannot be controlled by law in the way that prices are controlled. It is impossible to prevent thousands of men from striking if they feel so strongly on the subject that they insist upon striking. We cannot put all of them in jail. We can provide remedies, and I think we ought to provide every remedy possible, but in the last analysis we must recognize that there is a certain pressure, and there is always the element of fairness to be taken into consideration.

Why were the wages of coal miners and railroad workers increased? Because the people thought it was fair to increase their wages, and because the workers, to a large extent, had popular support, for the people have never approved the Little Steel formula which says that, although the cost of living has gone up 25 percent, the workers may have their wages increased only 15 percent. The result is that it has not been possible to maintain the hold-the-line theory, and it never will be possible because the American people put justice and fair treatment of individuals ahead of the arbitrary or the intellectual idea of holding the line on inflation.

The attempt has resulted to a large extent not only in injuring the national morale, but it has put many small businessmen out of business. It has threatened a serious reduction in farm production with regard to many products.

I think the policy should be to hold down prices and wages just as much as we possibly can consistent with justice to the wage earner, consistent with justice to the producer, consistent with justice to the distributor, and that is a hard job. The O. P. A. has my sympathy in its effort to accomplish these objectives. But the more they try to insist on the hold-the-line theory, the more difficulties they will encounter. Particularly would that be true if by subsidies they should increase the purchasing power and increase the natural force which is tending to drive prices upward.

I do not see any need of a full subsidy program, but I do believe that subsidies can be used to slow up the process. I think that the use of subsidies is justified if they are limited strictly to cases

where there cannot be a roll-back on to the producer under the formula I have suggested, so that they can be used only in a limited amount, and so that when the subsidies are chosen the money will be spread in the most useful manner.

Let us consider what happened when the miners were given wage increases. The operators merely increased the price of coal. The Government gave up the idea of "holding the line" on the price of coal. I do not know why. However, a subsidy for coal is just as logical as a subsidy for food products. Inevitably here and there it is necessary to yield to some degree. I think that the increase in the cost of living can be held to 5 or 6 percent a year. If we have subsidies to slow it up more, so that there will be no cumulative effect of increasing prices and wages, we will very successfully control prices, and in the end they will not be higher than they are going to be anyway. In other words, I suggest a defense in depth, which is the modern method of defending, instead of the Maginot line which, when it is cracked, will crack for good and bring complete destruction of the whole economic structure of the country.

Every Senator is familiar with the practical situation. The administration is insisting, apparently, on \$1,500,000,000 or nothing. It is insisting on the whole amount. It is insisting that it must "hold the line." I assert that if the Government is to maintain its position, instead of \$1,500,000,000 the amount will be \$4,000,000,000. I think it ought to be willing to accept \$950,000,000 and try to do the best it can with that amount. I think that is a reasonable thing to ask it to do.

On the other hand, those who are insisting on putting through an anti-subsidy bill are going to bring about a veto by the President. We know that because he vetoed the last one. The bill will come back to Congress and the veto will be sustained, for there are not sufficient votes to pass it over a veto. Then what will happen? The lid will be off again.

Payments for subsidies have increased. When we first considered this program almost a year ago subsidies were approximately three or four hundred million dollars; then they got up to \$500,000,000; when Congress came back in the fall the amount was approximately \$850,000,000; before Christmas it was \$1,100,000,000; today it is one billion two hundred or three hundred million dollars, and those who are in charge of the program are asking for a billion and a half dollars. If this bill is vetoed and comes back to Congress and dies, the amount paid for subsidies will be two or three or four billion dollars.

Congress enacted a measure containing some loose language. I do not think it justified subsidies but we were not careful enough about our language, and the claimed powers are in the law, and, unless we can pass a bill over the President's veto or unless the President agrees to the bill, those powers are going to stay there, and are going to be exercised, and I do not know how we can prevent their

being exercised. The result of passing this bill is simply going to bring about a situation in which Congress has relaxed its control, and cannot recover its control, and perhaps there may be three or four billion dollars a year spent without the slightest vestige of authority from the present Congress.

Mr. MURDOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. TAFT. I yield.

Mr. MURDOCK. Has the Senator any proof from any of the agencies or departments which are interested in the administration of subsidies that if his amendment should be agreed to the bill would not be vetoed?

Mr. TAFT. No, I have no such understanding and no such agreement. I think that if my amendment should be agreed to, that is if those who oppose subsidies should wholeheartedly agree to it, it might be passed over the President's veto. That is my impression of the lineup in the Senate today. I doubt very much if the President would veto a subsidy bill that carries \$950,000,000. I think he would put himself in an indefensible position if he should veto it, because the difference is very slight.

The chief subsidy which I think would have to be abandoned would be the milk subsidy, which is being paid individually to 3,000,000 farmers. I do not believe that that is a sound subsidy. It certainly is opposed by the representatives of the milk farmers themselves. It amounts to about \$300,000,000. If that were omitted and paid in the way I suggest, I believe it could be done for \$100,000,000, and there could be saved about \$200,000,000. With the exceptions which have been made in the case of oils, my impression is that the remainder of the subsidy program could be carried out if the administration wished to continue the meat subsidy. I see no reasonable ground on which to veto this bill if my amendment should be adopted.

I might say on the milk subsidy that Mr. Holman who is head of the dairy farmers in his testimony before the committee, said:

The feed subsidy is estimated to be \$315,000,000 a year, and I wish to give that one particular attention. This subsidy varies all the way from 30 cents per hundred pounds of fluid milk in the Middle West to as high as 50 cents per hundred pounds in southern New England and in parts of some States such as Tennessee, Kansas, Arkansas, Oklahoma, Texas, and Mississippi, and it includes also a butterfat subsidy ranging from 4 to 6 cents per pound. That is on separated cream.

Now, there are about 3,000,000 farmers in this country, out of the estimated 6,000,000 who produce milk, that actually sell milk or separate cream or farm butter for commercial purposes. Every one of these farmers has to be found and enrolled, and to do that requires a very large army of either full-time or part-time employees. It is my understanding that the Government is using about 125,000 of these people already, farmers alone, who are being called from their farms at a time when the production is needed, to ride the roads and find these other farmers and help make settlements, and so on.

Letters have been sent out all over the country urging farmers to take advan-

tage of the subsidy. I have one which is found in the record, which says:

If farmers will bring their records to the Davis County—

That is Davis County, Iowa—

If the farmers will bring their records to the Davis County Agricultural Adjustment Administration office, their claims will be satisfied and sight drafts drawn on the Commodity Corporation for payment.

In other words, they are restoring the old A. A. A. payments and the amounts are being paid through the A. A. A. to 3,000,000 individual farmers.

Mr. FERGUSON and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield, and, if so, to whom?

Mr. TAFT. I yield first to the Senator from Michigan.

Mr. FERGUSON. I should like to ask the Senator from Ohio a question. Does the amendment proposed by the Senator provide that subsidies may be paid only on the particular things mentioned in the amendment, or will we face the same proposition we are facing today? In other words, will the Administration, if the Senator's proposal becomes the law, pay subsidies so far as the particular commodities mentioned are concerned to the extent of \$950,000,000, and then go ahead and pay the other kind of subsidies from money they may be able to maintain from other sources to any extent they may see fit?

Mr. TAFT. No; that would not be possible, because I do not change the provisions of the Bankhead bill, on page 9, which read as follows:

SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities—

And so forth.

Mr. FERGUSON. In other words, if the amendment were adopted and became the law, Congress would take back unto itself the right to say how much shall be spent for subsidies and the manner in which it shall be spent.

Mr. TAFT. Entirely. My proposal is that we do that, and recover all of our power over the public purse, which we have abandoned, or, perhaps I should say, not abandoned but which we have been careless about. My amendment would provide for the year 1944 \$950,000,000. That amount, however, would not be provided year after year, but for the year 1945 the Administration would have to come back and ask for what they need for the 1945 program. The amendment simply provides that for the 1944 program we will grant \$950,000,000 for use in the payment of subsidies.

I might say that there is another reason why I think it is wise to give some subsidies. I think we could have gotten along without a subsidy program; but if we should abolish them all off at once there would insue a sudden increase in prices which might well stimulate wage increases. The price increases coming all at one time would be particularly noticeable and would be much more likely to start a spiral than if they had occurred gradually during the year. That is another reason why I think that the program should be tapered off, and not completely abandoned.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Vermont?

Mr. TAFT. I yield.

Mr. AIKEN. A few moments ago the Senator from Ohio referred to the fact that 3,000,000 dairy farmers were eligible for the subsidy under the present program. It is my understanding that only 71 percent of those who have been eligible to receive the milk subsidy have collected such subsidy as has been available to them since the 1st of October. That number represents 80 percent of the milk production which is eligible to receive subsidies. It shows conclusively that it is the small producers, who undoubtedly need it much more than some of the larger ones, who have been deprived of their milk subsidy for one reason or another. In a good many cases it is probably because greater effort and expense were entailed in getting the subsidy than the payment would amount to when it was received.

However, at the present time we are subsidizing milk in the sum of over \$300,000,000 a year, and all dairy products to the extent of about \$441,000,000 a year. The War Food Administrator evidently recognizes that the subsidy which is being paid at the present time is wholly inadequate.

I have in my hand a release issued on February 2, last week, containing an announcement of the War Food Administration, which reads as follows:

The War Food Administration today announced the continuation of dairy production payments up to February 17, or the date on which the Commodity Credit Corporation is further extended. The basic rates during such period will be the same as those in effect for January.

While dairy farmers have been affected by increased costs since the program was first announced, Marvin Jones, the War Food Administrator, pointed out that a commitment had been made with the Congress not to change substantially the subsidy program now in effect prior to February 17.

Subject to action by the Congress continuing the Commodity Credit Corporation without limitations preventing dairy production payments, Mr. Jones stated that thereafter rates for the remainder of February and for March and April would be adjusted to take into account increases in feed and other costs since the original rates were established last October.

The War Food Administrator said he is desirous of recognizing these increased costs in the dairy payments as soon as it is possible to do so, and further expressed the hope that in the interim dairy farmers would continue to produce and market the milk that is so essential for the war effort.

For the spring and summer months, it was indicated that it would be the Administrator's intention to continue the general dairy payments at seasonally lower rates during the time when pastures are more productive. The rates would be seasonally higher next fall and winter. The whole program is contingent, the Administrator emphasized, upon congressional action continuing the Commodity Credit Corporation without limitations preventing such payments. Subject to such contingency, the rates for next summer will be determined and announced before the 1st of May; and for next winter, before the 1st of September.

So, when we are estimating the costs of the dairy subsidy we must not consider it \$441,000,000 a year, which is the present rate, but it is my personal opinion that it would have to be about twice that if we are to take care of the milk production by the subsidy method.

Mr. TAFT. I thank the Senator. My understanding is that the farmer says, "We want a fair price for milk. We do not want to have to go to the A. A. A. office and get a subsidy. We want the price to which we are entitled paid when we go to the store." That can be done under the amendment I suggest. In the Cincinnati area, for instance, where I live, it can be announced that the price of milk shall be so much a hundred pounds, and the Government will see that it is that. The distributors will pay it, of course, and if we do not want to pass it on to the consumer, we can subsidize it in that area. That is the proposal I make.

I think the farmers are interested in getting their price, but when they say that price must be passed on to the consumer, I think they are going a little further than they are quite entitled to go.

I do not think that is so much their concern. I do not know whether under the proposal I make the beef subsidy can be continued. It cannot be continued without changing the whole set-up.

My own belief as to meat is that the best way to control is to take all the price controls off beef, and impose a very strict rationing on the consumer. I believe that if we do that we can hold the price of beef, and that we will not have the difficulty we have today, trying to fix prices on all the different grades and cuts, and paying the packers tremendous subsidies on beef. I believe that is the best solution of the beef problem, but I do not see how the Congress can decide what shall be done about beef, what shall be done about oil seeds, or what shall be done about wool. We would have to treat peanut oil one way, soybean oil another way, wool another way, sugar another way. I do not see how Congress can believe it can know the way in which these different products should be handled. Yet today we say to the administration, "You can pay subsidies in any way you desire, on vegetable oils, on wool, on sugar, but you cannot pay subsidies on meat."

I think we must have an underlying, logical system, but I think we must leave the actual administration of the system to the War Food Administrator and the O. P. A.

Mr. MURDOCK. Mr. President, I should like to ask the Senator what the position of the sugar industry will be in case the Senator's proposal becomes law.

Mr. TAFT. I have in the amendment the same provisions as to sugar that are found in the Bankhead bill. There is no difference.

Of course, the original sugar payment was always acceptable. That is regarded as rather a redistribution of the sugar itself than anything else, and it has been paid for years. The other payment, to guarantee the price of beets, so to speak, really establishes a support price for beets, and I think that subsidy could be paid under the general language of my amendment. But I left in the exception that was in the Bankhead bill, to make it perfectly certain that the exception would be in the law, and that there could not be any dispute about the language.

Mr. President, I do not know that we can get away from the irreconcilable difference which arises, but I do not see any reason why the administration should not be glad to settle this matter. I think the idea that they would rather go ahead under unlawful authority, that they would rather go ahead in defiance of the will of Congress, is an utterly unreasonable position to take. It seems to me the Senators who voted for the Maloney amendment should very much prefer voting for my amendment, and put through a measure which, I can assure them, will be practical, which will limit subsidies to an effective and reasonable form of subsidy, which will furnish an amount which can be used to provide for subsidies in reasonable form. On the other hand, I think those who vote to put the bill through knowing that it will be vetoed, simply because they are against subsidies, knowing that it will actually increase the amount of the subsidies rather than decrease them, are also taking an unreasonable position.

I submit to the Senate that if my remedy is not the correct one, then it should be criticized and worked out to a satisfactory form, but it has been evolved after a long series of conferences, even with the Solicitor of the War Food Administration, and with those on both sides of the question, and I feel very confident that it presents a correct solution.

Mr. O'DANIEL. Mr. President, during these times when subsidies are being so widely discussed it is interesting to turn back the pages of history and read what was said in 1893 by that immortal Governor of Texas, James Stephen Hogg.

Governor Hogg is recognized to this day as being one of the most ardent and outstanding defenders of the rights of the rank and file of the common citizens ever to hold public office in Texas.

His public statement of May 20, 1893, against Federal bounties, which we now call Federal subsidies, is certainly sound logic, in addition to being correct prophecy.

With all the mess we are now in on the domestic front in this Nation on account of subsidies, and the Federal Government trying to dictate how each and every individual must run his own pri-

vate business, we are certainly getting a generous taste of what Governor Hogg in 1893 called "the polluted fruits of crime against justice and the Constitution." I believe this statement by Gov. James Stephen Hogg, of Texas, made a half century ago, is one of the strongest and most logical arguments against subsidies that could be made. Coming from that sane age in our American history, it deserves the careful reading and study of some of the would-be statesmen of our present fantastic Government age.

I ask unanimous consent that the full statement of Gov. James Stephen Hogg, of Texas, issued on the subject of bounties on May 20, 1893, be published in the CONGRESSIONAL RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

STATE OF TEXAS,
EXECUTIVE OFFICE,
Austin, Tex., May 20, 1893.

To the Public:

By the authority vested in the Governor by the constitution, I hereby give notice and make public proclamation that I disapprove house bill No. 206, passed by the last legislature, which proposed "to authorize, empower, and direct the superintendent of the State penitentiaries to receive from the Treasurer of the United States, for the general revenue of the State, the bounty on sugar raised and manufactured on the State penitentiary convict farms," received in the executive office on the 9th day of this month.

I vetoed such a law as this 2 years ago, and shall never consent to one like it so long as I represent public interests and can read the Constitution of the United States and understand the principles upon which this Government was founded.

It is well for the public to look at this sugar bounty in the light of the Federal law granting it.

In schedule E of the act of Congress approved October 1, 1890, the United States Government directs that until July 1905 there shall be paid from any moneys in the Treasury at Washington not otherwise appropriated, to the producer of sugar, testing not less than 90° by the polariscope, from beets, sorghum, or sugarcane grown within the United States, a bounty of 2 cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury shall prescribe.

To entitle the producer of sugar to this bounty he must file, prior to the 1st day of July each year, with the Commissioner of Internal Revenue, a notice of the place of production, with a general description of the machinery and methods to be employed by him, an estimate of the amount of sugar proposed to be produced in the current or next ensuing year, and make an application for license to so produce, accompanied by a bond in a penalty and with sureties, to be approved by the Commissioner of Internal Revenue, conditioned that he will faithfully observe all rules and regulations that shall be prescribed for such manufacture and production.

On receiving the application and bond, the Commissioner of Internal Revenue is required by this law to "issue to the applicant a license to produce sugar" at the place, with the machinery, and by the methods described in the application. No one can get the bounty without having first procured the "license" from the United States to produce the sugar, and the law expressly confers the power on the Commissioner of Internal Revenue, with approval of the Sec-

retary of the Treasury, to "make all needful rules and regulations for the manufacture of sugar," and to "exercise supervision and inspection thereof." All persons raising less than 500 pounds of the article a year are excluded from the benefits of the bounty. Those who engage in the manufacture of it under this license from the United States are subject to prosecution in the Federal courts and to a fine of not over \$500, together with imprisonment for a period of not exceeding 5 years, for certain infractions of the law.

The State of Texas has a plantation of 2,000 acres, worked last year by 165 second-class convicts, by which was produced about 1,000,000 pounds of sugar. The yield this year will be probably at least that amount, with the prospect of a heavy annual increase. So that, under this law of the United States, she would be permitted to receive a bounty of at least \$20,000 each year hereafter until 1905 if I permit the act of the legislature under consideration to become a law.

In the first place, I believe that Congress was guilty of a usurpation of power in passing the bounty act, and that to accept money from such source the State government would be an accessory to the crime.

In the second place, I believe the State would debase her dignity, prostitute her honor, and appear before civilization as a humiliated suckling holding onto the breast of the Federal Government if she accepts the bounty.

Such laws are fundamentally wrong, subversive of the powers of Government, undemocratic, paternalistic in the extreme, and no State can be a party to, connive at or ratify them without a surrender of its self-respect.

If the fathers were correct in teaching that the Federal Government is one of strictly limited powers—that its powers are enumerated, specified, and particularized, and that whatever is not delegated to it by the Constitution, nor prohibited by that instrument to the States, is withheld and reserved to them, then I am unable to trace the fight to grant this special benefit to the favored few in the way of the sugar bounty to any source of power except that which lies in the arbitrary will of Congress. It is a forced and unfair construction of the Constitution to hold that Congress possesses the power under the "general welfare" clause to collect money from the masses with which to defray the expenses of and to pay a premium to those engaged in private pursuits. The express purpose of the people in framing and of the States in adopting the Constitution was to form a more perfect union, to establish justice, to insure domestic tranquillity, to provide for the common defense, to promote the general welfare, and to secure the blessings of liberty to "ourselves and our posterity." The powers of the Congress were limited to the accomplishment of these ends. How can an appropriation out of the General Treasury be paid to sugar raisers aid in forming a more perfect union? How can it establish justice? How will it insure domestic tranquillity? How can it provide for the common defense? How does it promote the general welfare? How can it secure the blessings of liberty "to ourselves and our posterity"? If it fails to accomplish some of these purposes, then the Congress had not the power to make the appropriation. All observant men see and understand that the excuse for all such usurpation of power by the Congress, exercised invariably at the expense of the great mass of the people for the enrichment of the few who fill the lobbies around the Capitol, finds a cloak under the clause of the Constitution which authorizes that body to "provide for the general welfare of the United States." I cannot understand how it is to the general welfare of the several States, or of the United States, or of the people of the United States, for Texas to be

given a bounty by the Federal Government for raising sugar. This product, it is true, is of common use among the people, and its cheapness to them is desirable. So it may be said of cotton, wheat, oats, corn, rice, hay, beef, pork, poultry, potatoes, goobers, melons, pine-rosin, and all other articles of real or apparent necessity among the masses. The State can, with her 3,600 convicts, raise all these products in great abundance at a fine profit, if the general Government grants, and she shall accept, a bounty on them. There is as much authority for Congress to give a bounty on chickens as on sugar. If the purpose is to promote the general welfare, it would appear that articles of necessity, such as bread, meat, and clothing, would be the first on which a bounty should be given. This would reach and help the wheat and corn raiser, the herdsman and the cotton planter, and give cheap food and raiment to the millions. Indeed, it would put millions in the pockets of the great army of producers now struggling under heavy burdens, and add the finishing touch to the ideal government of those who regard the "bounty system" as the catholicon of all economic ills; and, further, it would furnish to civilization an example of the generosity of Congress, displayed in the exercise of its discretionary power, in providing for the general welfare of the United States.

The authority of Texas to take this money from the Federal Government demonstrates the evil of the paternal system into which our General Government is drifting. It strongly supports the suspicion that none but those who are able to help themselves need apply. Texas needs no assistance in farming. Sugar raisers as a rule are the wealthiest planters. There are no poor ones engaged in the business in this State. Most of them are very rich, in every respect beyond the necessity of Government aid. The State's farm of 2,000 acres, on which she makes sugar and cotton, is worth less than many of those nearby belonging to individuals, and it is valued at \$245,256. After deducting all expenses of maintenance and operation last year without any bounty the crop on this farm yielded the State, according to the report of the financial agent, a new profit of \$61,976. The report of the superintendent of penitentiaries shows that for the period of the past 6 years the crops have yielded her the aggregate net sum of \$229,968. When the low prices during this period are considered, with the further fact that the farm is worked by such convicts as are unfit for use within the walls and cannot be hired out, then some idea may be had of the profits of the sugar business operated on a large scale. If Congress was considering the "general welfare of the United States" when it rallied to the aid of the rich planters engaged in this profitable private industry in the bestowal on them of this liberal bounty, it may be pertinently asked, How far does the Government stand committed to this precedent to assist those following less remunerative pursuits when they shall call for help? To the needy alms should go. This is the rule of charity. If followed to its logical result, where will this precedent end? The Government cannot be operated without revenue. Without it all the work in her departments would cease. Government revenue is no more nor less than money collected from the people by taxation in some form or other. After all, it comes out of the production of the soil. To support this bounty all farmers must be taxed. For this and other purposes, with crushing force the Government unceasingly lays its tax-reaping hand on the fruits of labor. From this cause murmurings are heard everywhere. It now takes annually at least 30 percent of the active circulating medium of the United States to pay Federal taxes. The people are tired of this condition, and they ought to

be. Departure by the Government from its legitimate functions is the cause. Favoritism of the few at the expense of the many is the method. These bounty laws are governmental crimes, the culmination of paternalistic iniquity. Those who receive benefits are blinded to the evils lurking in them. Strong resistance will be made to the abrogation of the sugar bounty, but Texas cannot by my act or acquiescence become committed to the movement. The wrong should be wiped out and our State should take part in the work. She cannot with clean hands do so if she accepts the money. Driftwood on a great stream at first seems harmless. Let it alone, and in time the river's current becomes changed by it, submerging the country all round. So with this bounty law. Permit it to stand, and the Government will follow the course already changed from a republic to a centralism, sweeping in its way the liberties of the people. Shall Texas be accessory to this crime? No; not with my consent.

On another point I oppose the State's acceptance of the bounty. In the management of her affairs she is sovereign, supreme, subject only to the control of the people within her dominion. To accept this bounty for sugar she would surrender the supervision and inspection of one of her most important industries to the Federal Government. For spoils she would open the way for the invasion and final destruction of her independent autonomy. For a mess of pottage, seasoned with the sacrifice of principle, boiled in sin, she would surrender her birthright.

To procure this money she must file with the Federal Commissioner of Internal Revenue a notice of the place of production. To him she must give a description of the machinery and methods employed by her in the work. To him she must give an estimate of the amount of sugar she proposes to produce. To him she must make application for a license to follow the pursuit. To him she must look for rules and regulations of the business. To him she must give bond and sureties that she will obey the law. To him she must yield inspection and supervision of her farming operations. To him she must become bound by bond that she will not only obey the law but that she will faithfully observe all rules and regulations that shall be prescribed by him for the manufacture of sugar. For infraction of the law her agents and officers would be subject to prosecution, fine, and imprisonment through the Federal courts. We all know what this means. Spies, informers, and irresponsible deputy marshals would swagger and lurk around the farm worse than the locusts of Egypt. Nothing would please them better than to "rope" the State of Texas into the national court, where they could magnify the power of the Federal judge at the expense of her independence and integrity.

Other potent reasons should move the State to refuse this bounty. She is no pauper or mendicant. She is a sovereign State in the full control of her institutions, capable of repelling with indignation every subtle effort made to destroy her autonomy. When she needs money she will resort to constitutional means and call on Texans to pay it. She would not appeal to Massachusetts, Georgia, or other States to help her; nor will she accept money paid for public purposes by her sisters to the Federal Government simply because the Congress is willing, in the exercise of arbitrary power, in defiance of the Constitution, to let her have it. For the sake of the masses, now taxed beyond endurance through the vicious, insidious tariff system, for the respect due to her own people, for the preservation of her own independence, for the perpetuity of sound principles of government, the State of Texas now, and so long as I am Governor, shall treat this sugar bounty with derisive contempt. She will not handicap her Senators and Congress-

men in the performance of their duties to have the law repealed; she will not stultify her statehood; she will not violate democratic pledges to strike down such measures; she will not stain her hands nor dishonor her name by the acceptance of this money—the polluted fruits of crime against justice and the Constitution.

Very respectfully,

J. S. Hogg,
Governor of Texas.

THE SPIRIT OF GUNG HO

Mr. DOWNEY. Mr. President, as the protracted congressional controversy continues with bitterness and rancor to delay a solution of the soldier-vote bill, and as we now discuss the subsidy program after months of delay, our boys—our own sons, and those of our neighbors back home—are facing death, sudden or slow, on the stained and rocky beach-heads of Italy. Their loved ones at home wait the news with fear, and pray with agony in their hearts that their boys may somehow escape horrible massacre by powerful and entrenched artillery cruelly commanding the fish-bowl beachhead.

Surely, at this time, with American boys fighting desperately to defend democracy over wide-flung areas, the leaders of democratic government should find the energy and inspiration loyally and efficiently to serve democratic government at home.

Unlike Italy, in the Pacific the tide of victory runs strongly for our forces and there is little need to express on the Senate floor the pride and gratitude of the American people in the magnificent accomplishments of the members of the armed forces fighting today in the Marshall Islands of the central Pacific. No one can now doubt that the American triumph which started here will sweep ultimately across the Pacific to Truk and finally to Tokyo itself. Nonetheless, I cannot refrain from adding to the proud collective voice of America that of the Senate of the United States. Here, Senators, is tangible proof of the ability of America to fight an all-out war. Here is demonstrated her great ability in mass production and technology, translated from peacetime activities into the desperate need of the war effort; here is but another proof of that axiom well known to us all—"The whole is greater than the part." Our boys are, of course, fighting individually for their homes and for their States, but, Senators, on the field of battle there is time only for unity of action toward a common goal. It is the inherent realization of soldiers that unless they stand united, death or surrender will be their fate. We of the Senate might well heed their example and work likewise in harmony with each other lest the pattern of our work be lost by too great an emphasis on the individual parts, by furious and futile controversies discouraging and confusing the Nation.

The story of the assault on Makin Island, in the Gilberts, south of the Marshalls, in August 1942, the prologue of the present fighting in the Marshalls, is one of the finest illustrations of harmonious action—action which indicated that America had finally taken the offen-

sive and had set the stage for later victories to come.

The leader of the group which accomplished this raid, Lt. Col. Evans F. Carlson, had before him a momentous task. His goal, as stated by him, was—

To create and perfect a cohesive, smooth-functioning team which, by virtue of its harmony of action, unity of purpose, and its invincible determination, would be able to outpoint the enemy on every count.

Most important of all, he found, was the development of the so-called gung ho spirit, the Chinese expression of harmoniously working together, and which is exemplified in the truly great and inspiring film of the same name, *Gung Ho*, recently released, produced by Walter Wanger, president of the Academy of Motion Picture Arts and Sciences, himself a soldier in the First World War. Recently I had the opportunity to view this film and to me it brought a profound realization of the dangers and sacrifices of our fighting men and a renewed determination that we in the United States should subjugate our own passions, prejudices, wants, and needs to a greater and more unified national effort to support the members of the armed forces upon whom principally fall the sacrifice and the burden of the war. Any American seeing this film *Gung Ho* would resolve thereafter I am sure for more harmonious work in the common and sacred war effort.

On this first anniversary of the Makin raid, Colonel Carlson in an address to the Allied Nations armed forces serving overseas concluded his remarks:

As a military venture this raid was not of any great import; its significance lay in the fact that America had taken the offensive; that American men had outwitted, outfought, and outmaneuvered the Japanese at their own game. It was significant also because these marine raiders had demonstrated how individual intelligence and initiative and resourcefulness can be applied with benefit to military operations, when they are developed and brought to bear in the democratic way.

There is no limit to the potential power and accomplishment of freemen who unite for common effect in the democratic manner. No dictatorship, no oligarchy can stand against freedom, tolerance, and truth. These are the principles for which the Allied Nations fight.

And, finally, may I quote to the Senate the concluding speech of the film *Gung Ho*, as made by the leader of the Makin raid:

Our course is clear. * * * It is for us at this moment to dedicate again our hearts, our minds, and bodies to the great task that lies ahead. We must go further and dedicate ourselves also to the monumental task of assuring that the peace which follows this holocaust will be a just and equitable and conclusive peace. And beyond that lies the mission of making certain that the social order which we bequeath to our sons and daughters is truly based on the freedom for which these men died.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the

basis of annual appraisal of its assets, and for other purposes.

Mr. SHIPSTEAD obtained the floor.

Mr. LANGER. Mr. President, will the Senator yield to me so I may suggest the absence of a quorum?

Mr. SHIPSTEAD. I yield for that purpose.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Reed
Andrews	Guffey	Revercomb
Austin	Gurney	Reynolds
Bailey	Hatch	Robertson
Ball	Hawkes	Russell
Bankhead	Hayden	Shipstead
Barkley	Hill	Smith
Bilbo	Holman	Stewart
Bone	Johnson, Colo.	Taft
Brooks	Kilgore	Thomas, Idaho
Buck	La Follette	Thomas, Okla.
Burton	Langer	Thomas, Utah
Bushfield	Lucas	Truman
Byrd	McClellan	Tunnell
Capper	McFarland	Tydings
Caraway	McKellar	Vandenberg
Chandler	Maloney	Wagner
Chavez	Maybank	Wallgren
Clark, Idaho	Mead	Walsh, Mass.
Clark, Mo.	Millikin	Walsh, N. J.
Connally	Moore	Wheeler
Danaher	Murdock	Wherry
Davis	Murray	White
Downey	Nyc	Wiley
Eastland	O'Daniel	Willis
Ellender	Overton	Wilson
Ferguson	Pepper	
George	Radcliffe	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. SHIPSTEAD. Mr. President, because of the eloquence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Georgia [Mr. GEORGE], and other Senators who yesterday discussed inflation, I shall not speak about the inflationary problem involved in subsidies. I have before to some extent discussed that phase of the matter.

However, I wish to point out that according to a recent report of the Secretary of the Treasury, nearly \$20,000,000,000 of currency is loose around the country. That is nearly four times more currency in circulation than has been in circulation in normal times. On some other occasion I hope to address the Senate on the significance of that situation and its threat to our national economy, but I shall not go into that matter further today.

I have some statistics and figures by way of comparison which I think may be enlightening, if not amazing, as to the cost of subsidies, their effect, who receives their benefits, and by way of comparison between the present price level and the price level existing in 1917 and 1918, because those 2 years have been held out as the top years in which there was a high cost of living, and as the fundamental excuse for paying subsidies now.

The United States Bureau of Labor Statistics, in its Bulletin No. 300, entitled "United States Average Retail Prices," published in 1922, has given the average retail bread prices in 51 leading cities for the years 1917 and 1918, namely, during the 2 years of the First World War, as

follows: 9.2 cents for a 16-ounce loaf in 1917, and 9.8 cents in 1918. They were a fraction lower than 1943 prices on all grades of bread. A slightly higher retail price, around 10 cents a loaf, came in 1919 and 1920, after the war was over. But the war price averaged 9.6 cents for a 16-ounce loaf.

What does the O. P. A. threaten to do to the price of bread today if Congress declines to vote for subsidies? The half page of grocery price boosts published in the New York Times of November 17, less than 90 days ago, gives the O. P. A. "roll-back" price at 17 cents for a 17½-ounce loaf of bread, or an equivalent of nearly 16 cents for a 16-ounce loaf which in 1918 sold for 9.8 cents.

In other words, the O. P. A. threatens to boost the retail price of a loaf of bread 6.2 cents, or more than the 60 percent; unless we grant a subsidy of \$1,500,000,000, notwithstanding the fact that the farm price of wheat is lower now by 75 cents a bushel than 25 years ago.

The subsidy agencies of the Federal Government base their demand for \$1,500,000,000 subsidy to processors to "keep down the price of bread," as they call it, on the ground of the high price of wheat paid to the farmer. When they talk about "the price of bread," I assume they include all the articles necessary for food.

What are the facts?

First, what is the share of the retail grocery price which the wheat grower receives for raising the crop?

On page 20 of the 1944 Agricultural Outlook Charts, just issued by the Department of Agriculture, we read that the wheat grower in August 1943 got the following percentages of the retail price:

Item	Retail price	Farmer's share
White bread.....	100	24
Whole-wheat bread.....	100	19
Soda crackers.....	100	12
Wheat cereal.....	100	19
Macaroni.....	100	22
Average.....	100	19.2

The miller for his flour received 48 percent of the retail price of the finished product—the bakery, cereal manufacturer, wholesaler, and Government taxes getting the remaining 32.8 percent.

That is to say, the Government subsidy cry is based on the assumption that the 19.2 cents which the farmer gets from the retail dollar is so excessive that the Government has to give a \$100,000,000 subsidy to the processors in order to keep down the price of bread.

The subsidy agencies of the Government make no complaint against those who collect, in all, 80-odd cents of the retail dollar. The whole complaint is against the farmers' share of 19.2 cents. This less than one-fifth going to the farmer for raising the wheat bears the whole brunt of the subsidy agency indictment. In the eyes of subsidy propagandists, this one-fifth that goes back to the farmer is greater than the four-fifths reaped by the processors and the Government. The subsidy argument re-

verses Euclid, who began his great mathematical thesis on the proposition that "the whole is greater than any of its parts." It happens that American history, no farther back than the last World War, stands by Euclid, as against the New Deal argument for subsidy.

The average farm price of wheat in the last World War—1917–1918—ranged 75 cents a bushel higher than the price which Government subsidy propagandists complain against now. The farmers in the last World War were getting more than the present 19 cents of the retail dollar of the bread and cereal consumer. Yet the price of bread was stabilized at around 9.5 cents for a 16-ounce loaf—without one dollar of the \$100,000,000 subsidy which the Government asks for now.

For the wheat in a pound loaf—0.95 pound wheat—the farmer today gets 2 cents, as compared to a fraction over 3 cents in 1917–1918. Yet the subsidy agencies of the Federal Government say that this 2 cents received by the farmer can no longer be paid unless either the price of bread goes up or the Government pays a \$100,000,000 subsidy to the processors and the wheat buyers. This is the story in a nutshell, in comparing the retail price of bread in 1943 with the price in 1917 and 1918.

It will be seen that in the last war, when the United States Government paid no subsidy and had no autocratic O. P. A. bureau, there was no trouble about maintaining a stabilized 9½-cent loaf, although the wheat growers received on the farm at that time an average of \$2.05 a bushel.

There are subsidies being paid now to packers, processors, distributors, and retailers. Who are they? The indictment is brought against the farmer for the high cost of living. Companies capitalized in the aggregate for hundreds of millions of dollars and enjoying war contracts of hundreds of millions of dollars, are receiving subsidies. In the October bulletin of the Department of Agriculture, on the Agricultural Situation, page 7, it is shown that the average farm price of wheat has risen from \$1.028 in September 1942, to \$1.30 in September 1943. It is a little higher now. This is based upon the report of September and October 1943. The parity price for September wheat was \$1.46.

In a list of 21 leading farm products, in 1943 wheat and butterfat were below parity. In the meantime the prices of the things which the farmer had to buy had risen 66 percent. The price of farm machinery had risen to the point where a second-hand tractor cost more than it formerly cost new, while wages have about doubled, and in some cases trebled. The farmer receives less profit from his \$1.30 in September 1943, or about \$1.40 now, than he realized from a price of \$1.28 in 1941. On the other hand, finished products put on the retail market by the processors, such as soda crackers and macaroni, have advanced in price not 27 percent, as in the case of wheat, but from 75 to 100 percent. It will be seen that the subsidies do not go to farmers, when prices are below parity, on

most products, or were until recently. Prices of most staples are below parity. But the farmer is indicted. Processing companies which have war contracts and receive war prices for their products receive the Government subsidy. That is a new deal. It follows the Biblical saying, "To him who hath shall be given."

One of the most significant features of the wholesale-retail problem in connection with present food prices is the high margin between the wholesale price of food and the retail price. It was more than twice as high in 1943, under the O. P. A., than it was in 1917, 1918, and 1919, when there was no O. P. A. to "crack down" on grocers and consumers.

The following figures are taken from a recent bulletin of the Department of Agriculture entitled "Marketing and Transportation," comparing retail, wholesale, and farm prices in the United States from 1913 to 1943. In 1917 and 1918 the margin between wholesale and retail prices averaged only 10 percent, as is shown on page 28 of the bulletin. The figures are as follows:

Year	Retail price index	Wholesale prices	Margin
1917 average.....	112	103	9
1918 average.....	128	117	11
2-year average....	120	110	10

In the 4 months of 1943 ending August, the retail-wholesale margin was:

Months, 1943	Retail prices	Wholesale prices	Margin
May.....	143	109	34
June.....	142	108	34
July.....	136	106	30
August.....	133	104	29
4-month average..	138	107	31

The margin increased more than three times.

I point this out to show that those who are handling farm products are the ones who are to blame. I have a statement of beef prices for 1917. I ask unanimous consent to have it printed in the RECORD for comparison with meat prices at the present time at grocery stores.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Figures for 1917-18 are from Bureau of Labor Statistics		O. P. A. ceiling Washington, Feb. 10, 1944 ¹		
	1917	1918	AA	A	B
Round steak.....	29	36	47	44	39
Rib roast.....	25	31	2 35	2 33	2 31
			3 39	3 36	3 34
Pork chops.....	32	39	4 39		6 35
Bacon, per pound, sliced.....	41	53			6 42
Sirloin steak.....	31	34	46	44	36
Leg of lamb.....	29	35	44	42	38
Chuck roast.....	21	27	32	30	28

¹ This is 1944 ceiling price.

² 10-inch.

³ 7-inch.

⁴ Rib.

⁵ End.

⁶ Swift Premium.

In 1917-18 beef cattle sold from \$15 to \$17 a hundred pounds—hogs about the same. Hogs yield the farmer now \$8 to \$13 on the farm. Look up your hog prices now.

Mr. SHIPSTEAD. With respect to the high cost of O. P. A. and subsidies, let me say that some time ago a message from the White House told us that one and a half billion dollars must be paid from the Treasury in subsidies.

We find the price of sirloin steak—if sirloin could be obtained at all last year, running to a 1943 average of approximately 50 cents a pound. When we turn to the food prices listed by the United States Bureau of Labor Statistics for the year 1918, the last year of World War No. 1, we find that the average price of sirloin steak in American cities in the year 1918 was 38.9 cents a pound. In other words, we were getting our sirloin steak in 1943, under the O. P. A. and subsidies at an average price 30 percent higher than in 1918 without O. P. A., and without subsidies.

For round steak, in 1943, under O. P. A. and subsidies, the coal miners of Pennsylvania were paying an average price of 45 cents, compared with 36.9 cents in 1918, without O. P. A. and without subsidies, or 22 percent higher than during the last World War.

In 1943 rib roast, under O. P. A. and subsidies, cost from 36 cents to 45 cents a pound, compared with an average price of less than 31 cents for all cities in the United States in 1918, without O. P. A. and roll-back subsidies. In this instance we were paying an average of 20 percent higher than prices of beef during the last war.

In 1918 cheese brought an average United States price of 35.9 cents a pound, according to the Bureau of Labor Statistics. In 1943, in Washington, under O. P. A. and subsidies, the price of cheese hovered around 50 cents a pound most of the time. Sometimes it was less and sometimes it was higher, but always well above the prices of 1918, when there was no O. P. A. and no roll-back subsidy.

Bananas for civilian consumption have been rare in the United States ever since the O. P. A. machine began to work. In 1918 the average price of bananas in American cities was 38.3 cents a dozen, or a trifle more than 3 cents apiece, less than one-half the O. P. A. ceiling for the few people in the United States who have the rare privilege of seeing a banana at this time.

It appears from cost-of-living statistics and from retail grocery advertisements during the period of the two wars that on the average food prices in American cities under the O. P. A. in 1943 are approximately 20 percent above retail prices in 1918.

On a yearly food consumption of \$15,000,000,000 for the country at large in 1943, the civilian cost of bureaucratic regulation approximates \$3,000,000,000 a year. Part of this \$3,000,000,000 cost-of-living charge is chargeable to O. P. A., part to lease-lend, part to priorities, public debt, and mounting taxes.

Significant of the food price upward trend is table I of the Commerce Department survey of current business for November 1943. On page 7 of this report

the Secretary of Commerce presents the annual volume of retail sales for various kinds of businesses by years, taking the first 9 months of 1943 as a basis for the estimate. The increase in the price of food sold in retail stores for 1943 over previous years is highly significant. The total for 1929 was \$13,092,000,000; for 1940 it was \$14,780,000,000; for 1941, \$17,372,000,000; and for 1943, the total was \$25,000,000,000.

So we find that, based on Commerce Department estimates, the retail cost of food to American consumers in 1943 compared with 1941, when O. P. A. was launched, has risen \$4,424,000,000, or 35 percent.

If we add the sales of eating and drinking places to the sales of the retail groceries and chain stores, the increase for 1943 over 1941 in 2 years of O. P. A. is \$7,428,000,000, or 42 percent.

Compared with 1929, with its 9-month prosperity boom, the country's retail food bill in 1943 has risen more than \$6,000,000,000, or nearly 55 percent.

So much for the widely advertised "economy achievement" of the O. P. A. in its effect on the long-forgotten consumer.

WORLD'S BIGGEST AND MOST COSTLY BUREAU

In the recent tabulation of executive bureaus and departments, laid before the Senate by the Senator from Tennessee [Mr. McKELLAR] in behalf of the Senate Appropriations Committee and the Senator from Virginia [Mr. BYRD], the Office of Price Administration is given an official personnel of 119,000, including more than 55,000 employees on the civil-service list, and 64,000 on war price and ration boards. This exceeds the total official personnel of any other Federal bureau and even the total for any executive department, except War, Navy, and Post Office.

The 119,000 employees of the O. P. A. exceeds by 35,000 the total number of employees of the United States Treasury and its several revenue bureaus. They exceed by 42,000 the total for all branches of the Agriculture Department. The number represents more than three times the total for the Commerce Department and its seven branches. It is more than 12 times the total for the State Department or the Labor Department.

The War Department's peacetime personnel in 1937 was listed at 89,000. The O. P. A.'s 119,000 employees exceeds that figure by 30,000, and the salaried cost of the O. P. A. far exceeds the total cost of the Government of Mexico.

Actual and complete Federal Government costs of the O. P. A. set-up are not easy to arrive at. Appropriations by Congress are followed by deficiency appropriations in rapid sequence, and these again by Executive allocations. The O. P. A. espionage machinery, regulating and prohibiting domestic and interstate sales and distribution of food, requires a totalitarian army 10 to 100 times as large as the Federal machinery employed in prohibition days to check consumption of alcoholic liquors.

The Federal set-up in Washington is supplemented by 9 regional administrations. Attorneys and investigators under

Federal direction, whether central or regional, regulate or prohibit food sales on a ration basis in all of the 3,030 counties of the 48 States. Even a farmer, theoretically, is not permitted to eat the chickens, pigs, butter, and eggs he raises, and his wife is not allowed to brown and grind green coffee without authority from Washington, D. C., and its totalitarian democracy.

Under the Federal espionage of food sales and so-called black marketing this so-called centralized planned democracy has a county attorney and a local F. B. I. in every county in the United States—not only to regulate retail and wholesale sales and prices but to regulate the food consumption, the shoes worn, and the gasoline, coal, ice, and clothing of 132,000,000 people. In Germany this might be called local government by the Gestapo, but here it is the New Deal—a new order of things in America.

Mr. President, I do not want Senators to think that I overlook the fact that there are persons—for example, old-age pensioners—who are in trouble and ought to receive aid in some form. However, to grant a subsidy to reduce the price of food to the millions of people, rich and poor alike, a great majority of whom are making more money than they ever made before in their lives and meet the cost of it by borrowing money to be paid at some time in the future when our national income may not be so great as it is now, and when the chances will be against our having as much money with which to pay for food and pay taxes, is something which I do not think should be done.

If there are articles which we must have, and there is a desire to increase production, instead of paying a subsidy to increase production, all we have to do is to raise and fix the price. I have no objection to ceilings being placed on the prices of agricultural or other products, in order to stop the run-away of prices. People in various communities who are in need should be taken care of so that they will not suffer. It should be done, in my opinion, through the local agencies of the States and counties, who know the individual persons and are familiar with their needs. Certainly no one within reason can object to taking care of such persons.

What does it cost the Treasury and the taxpayer? What is the annual sum total cost of the O. P. A. set-up? A key to an approximate estimate is afforded in the testimony of the second O. P. A. Administrator, Prentiss Brown.

On page 144 of the 810-page volume of hearings before the House Appropriations Committee, he asked for \$177,335,000 to meet the salaries and expenses of 63,882 officials and clerical aides of the O. P. A. This would imply a per capita cost of O. P. A. personnel averaging something over \$2,500 apiece a year. Applying this unit personnel cost to the entire O. P. A. set-up of 119,000, both civil service and ration boards, calls for a total expenditure of \$297,500,000 for the taxpayer to meet.

It carries out and puts into concrete shape two theories of government:

First, the Harry Hopkins theory: "Spend and tax, spend and tax."

Mr. MOORE. And elect and elect.

Mr. SHIPSTEAD. Yes; and elect and elect.

Second, the Thomas Jefferson indictment of George III:

He has erected a multitude of new offices, and sent hither swarms of officers to harass our people and eat out their substance.

It will be noted that the Thomas Jefferson idea was ratified by the signers of the Declaration of Independence, which for 150 years has been accepted as the foundation of the Constitution—indeed, 165 years before the Atlantic Charter.

It did include the "four freedoms," but it was created about 165 years before the Atlantic Charter was signed.

COST OF O. P. A. SET-UP VERSUS COST OF UNITED STATES GOVERNMENT UNDER THE FIRST 22 PRESIDENTS

If the cost of the O. P. A. set-up were only \$177,000,000, as asked for by Administrator Prentiss Brown to support 63,882 bureaucrats, the O. P. A. would cost more than double the entire cost of United States Government in 1861 under Abraham Lincoln, which was only \$66,500,000.

If, on the other hand, the O. P. A. set-up costs the \$297,000,000 estimated for support of 119,000 in 1944, it exceeds the total United States Government expenditure per annum under President Grover Cleveland, which in 1885-88 averaged \$260,000,000 per annum.

Even on a per capita basis, based on population, the O. P. A. set-up establishes a new mark in American "spend-and-taxation."

Under the Jefferson and Jackson administrations, which once were looked upon as democratic, the Government taxes to pay ordinary disbursements from the United States Treasury were less than 1.5 per capita.

The \$927,000,000 estimated to cover the salaries and expenses of the O. P. A.'s army of 119,000 employees amounts to a tax of \$2.22 per head on a population of 132,000,000 men, women, and children. Is this not too much to pay for the privilege of getting food prices in 1943 at 20 percent higher than in the last World War, in 1918?

The high cost of bureaucracy finds its best example in the high cost of the O. P. A. and subsidy. Yet the O. P. A. is only one among the one-hundred-odd alphabetic bureaus of the New Deal. One bureau is costing more than the entire United States Government under the Cleveland administration, and Grover Cleveland was once looked upon as a Democrat and twice elected as a Democrat. One bureau under the New Deal is costing more than twice the total cost of the United States Government under Lincoln in 1861.

The spend-and-tax theory of government may be good for the 3,000,000 bureaucrats who spend the taxes, and a good foundation for a totalitarian set-up, but does it conduce to democracy in America?

When the Commerce Department, inadvertently, "lets the cat out of the bag," and reveals that instead of a food price roll-back in the Nation's food bill there has been a roll-up-hill from \$12,500,000,000 in 1941 to \$17,000,000,000 in 1943—a 2-year roll-up of 35 percent—

it knocks the last prop from under the world's biggest bureaucracy and this country's biggest bottleneck.

The first step toward post-war recovery and post-war democracy is to put an end to the totalitarian trend by abolishing the O. P. A. set-up and subsidy. Removal of this bureaucratic octopus from the back of American people will be a godsend to producer and consumer, the taxpayer, and free democracy. It may well be worth more for national defense than another victory in Italy or Africa, and it certainly is worth more for the general welfare of the United States.

Mr. President, I have brought these statistics and comparisons to the attention of the Senate to show the difference in the handling of the food situation in this war and the last war. I do not see any excuse for what has been done in handling this aspect of the domestic economy during the present war. As a matter of fact, the farmer does not get the subsidy. It goes to the processors, the middlemen, the retailers, and to the consumer. The spread in price between the wholesaler and the retailer, who handle the products of the farmer, has doubled if not trebled since the last war. It is they who get the subsidy.

Throughout the farming sections of the country we hear reference made to subsidies paid to the farmer in the triple A soil-conservation payments. But that is not a subsidy. The soil-conservation payments were provided in order to preserve for future generations the soil of the Nation which was being depleted; those payments were made to preserve future assets for the welfare of this country on the assumption that it was not fair for the farmer, because of low prices, to make a living by mining the soil and leave the soil when he was through with it in a depleted condition, and greatly inferior as a national asset.

I shall vote against the amendment proposed by the Senator from Ohio, with all due respect to him and with all due respect to anyone who does not agree with my point of view. I think subsidies are inflationary. They are putting off the payment of the food bill until after the war is over, and the national income will not be so great as it is now.

We talk a great deal about appreciating the boys who are fighting all over the world and who are scattered in at least 50 various parts of the globe. The trouble is that while we have a war, many of us are afraid that it will cost us something. We talk about the sacrifice of the men who are fighting in the Army and Navy, but there is a feeling that we do not have to sacrifice anything. We want food and we want to obtain it as cheaply as we did in peacetime. We do not want to pay any more taxes than usual, but we want to make some money. I am not referring to any particular class of our population in any sense, but that is the feeling which is prevalent throughout the country.

We know that there are \$20,000,000,000 of currency outstanding. I asked a banker in Minnesota what he thought had become of it. He said, "I do not know; perhaps that is why so

many people rent safe-deposit boxes, and it may be that they keep it there." Twenty billion dollars, which is about four times more than the average amount in circulation in normal times, is floating around. How did it get there? Is it escaping taxation? Is it money that has been made on the black market? In any event, in addition to our national debt, it is dangerous because of its inflationary possibilities. Sometime in the future I expect to address the Senate on the source of this currency, whence it comes, upon what it is based, and what its potential influence on inflation is. In itself it has inherent dangers, and it is increasing in volume all the time. That, however, is another subject which I shall discuss at another time.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. WILEY obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Kentucky?

Mr. WILEY. I yield.

Mr. BARKLEY. I rise simply to express the fervent hope that we may vote upon the pending amendment, which is the Taft amendment, very soon, and thereafter dispose of the bill today. I frankly say that I hope we can do that and adjourn over till Monday. I think that is the general feeling in the Senate, and I hope we may accomplish that purpose. I do not, of course want to shut off the Senator from Wisconsin.

Mr. TYDINGS. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield.

Mr. TYDINGS. I should like to ask the majority leader if there would be any chance, with the approval of the minority leader of fixing an hour today when we might vote on the bill, so that we could take the action the Senator from Kentucky suggests?

Mr. BARKLEY. I would be agreeable to that, but I do not know. I think that if we can dispose of the Taft amendment, which is the only hump right now, we can very speedily dispose of other questions having to do with the bill.

Mr. AIKEN. Mr. President, if the Senator will permit me there is another amendment which I propose to call up in behalf of the Senator from Wisconsin [Mr. LA FOLLETTE] and myself. It is an amendment which embodies the subject of the food stamp bill.

Mr. BARKLEY. I did not know that. I have been told that the Senator was not going to offer that amendment.

Mr. AIKEN. There are a good many Members who desire to have it presented to the Senate.

Mr. BARKLEY. In spite of that, I still hope we may dispose of the bill today.

Mr. TYDINGS. I thank the Senator from Wisconsin.

Mr. WILEY. Mr. President, I feel that the subject of subsidies has been adequately discussed, and that I can make very little contribution to what has already been said. I have, however, a few

thoughts on the subject which I consider may tend possibly to bring clarity into a very confused situation.

Yesterday we heard discussed the proposition that a large segment of our population were underpaid. They are generally called the white-collar class. I am satisfied that the settlement of the subsidy question would make little or no contribution to the solution of that problem.

I should like to mention another thing. I feel that in the entire discussion, especially through the columns of the newspapers and over the radio, a large percentage of the workers of America have been given the impression that putting into effect a subsidy such as that we have heard discussed on this floor would afford them great relief. The Senator from Minnesota and other Senators have demonstrated quite clearly that the relief would be infinitesimal. What I am getting at is that, while in the discussions over the radio and in the columns of the press the farmers of the country have been almost damned, they have been misjudged.

I recently received a letter which I shall read into the RECORD. It comes from a farmer of my own State, and presents an almost tragic picture of a condition which I wish all the workers of America could comprehend and understand. Certainly, if prices are high—and they are high in some places—it is not due to the price the farmer is receiving. He is not receiving adequate compensation, as everyone knows, for many of the products he raises.

Let me read this letter:

DEAR SENATOR: As far as we here on the farms are concerned, we cannot understand where these housewives who were down to Washington, hollering about the high cost of living and wanting a subsidy, could be buying, or if their living costs were high, how or where they got that way.

Now listen to this:

Here at the farm we're getting 24 to 28 cents a dozen for eggs, eggs that cost us at least 45 cents a dozen to produce. The hens will bring us only 16 cents a pound. They'll average from 3½ to 4 pounds apiece. We paid 60 cents per chick when we bought them last May.

When we were told to raise more chickens for the country—

Our ears not only turn red, they take on a purple cast, when we think of the feed the chickens ate, to say nothing about the work we put in taking care of them.

The same example can be applied to nearly everything on the farm. So if living costs are high, the high price didn't originate on the farm.

I wish that idea could be broadcast over the radio to the listening public, so there would not be the opportunity by the politicians to create class hatred next fall between city groups and farmers. The way to bring out anything clearly is to throw light on the subject. I think it was a great leader who said, "Give the people light, and they will find the way." But if we bring confusion into the picture, the people will not find the way.

Now I wish to continue reading from the letter:

We—

Meaning the farmers—

take what we get. Not others in America; they get what they ask for. Why, then, is not the farmer entitled to a price instead of a subsidy? And could it be that the high cost of wages has produced the high cost of living?

Just to give you an idea of the duties of a farm wife—

Mr. President, a woman is the writer of this letter. Many times on the floor of the Senate I have referred to the fact that in my State, and in the other States of the Middle West, women, many of whom are past middle age, are performing a great patriotic duty working on the farms. If anyone thinks there is any doubt about that, let him listen to the words this woman has written me on the subject, showing "Her Day" at work. Listen to this:

Just to give you an idea of the duties of a farm wife, due to the scarcity of labor and the price of it, if it were to be had, I'll give you a sketch of My Day.

Where did we hear that phrase before—"My Day"? I quote further:

Up at 5 o'clock. That's 4 by the sun. Milk five cows, get breakfast, do dishes and housework. Then to the woods to cut down 10 trees, pulling one end of a cross-cut saw. Home to get dinner and do dishes. To the barn to clean it and haul manure from 21 head of stock. Bed and feed them—

Meaning the stock—

and get them back in. Tend chickens and pigs. I won't elaborate. Back to the house to get supper and do dishes. Milk five cows, do my ironing. Take time to listen to the radio. Hear more about strikes, high cost of living, and wonder how this administration made such a mess of things. Retire at 10:30 real mad. Dumb, aren't I?

Sincerely,

Mrs. ALTIE VICK.

P. S.—Got no time and a half overtime, either. Lucky if I got time.

Mr. President, I shall read another letter, which throws some light on the situation. It is an appeal from an American 69 years of age, and if it does not strike a responsive chord in the heart of any man who listens to it, then I say he must be asleep.

Addressing me personally, the writer says:

DEAR ALEX: I am in a peculiar situation and need advice. You are in a position to know to whom I should write, and feel sure you will tell me.

On January—

I leave the date blank—

the foundrymen went on a strike here because they did not get an 8-cent an hour raise over the \$1.20 an hour which is the union scale.

Listen to this:

The machinists, of which I am a member, went out in sympathy, although they had promised not to go on strike until we win the war.

Of course I was thinking about my grandson, Bill. I pondered it over and over. Something kept coming up in my mind, "Granddaddy, don't strike against me. Granddaddy, don't strike." Well, I refused. I was the only man in the shop for 3 days. Some of the men did not want to go out, but they just didn't have the guts."

Now that they are back some of them refuse to work with me.

The Government needs workers.

We must have men. When I went to work for the company in 1941 I told them I was able and willing to work up to 12 hours a day, 7 days a week, until we win. I have worked 7 days a week since. "I'm only 69." Would be glad to refer anyone to the manager.

I have bought with my earnings 16 \$100 bonds. I put my granddaughter through Iowa University. She graduated last January.

I have been a union man over 50 years.

I can't bring myself to strike against my own grandson who is in the service. I can't strike when we are at war. What am I to do. Write me please.

The writer of this letter, Mr. President, who is 69 years of age, who for 50 years was a union man, and whose grandson is in the service finds himself in a position of loyalty perhaps to some union leader, but also of loyalty to the Nation, and he will not strike, but when the men come back from striking they will not work with him. Contrast that with the woman whose letter I just read, who works from 4 in the morning until 8 or 9 at night, and turns on the radio and hears about these strikes.

Alec, what can I do?

Mr. President, how could I answer him? In one paragraph of my letter I wrote:

I have checked with various Government officials here who say they have no jurisdiction. It was, however, suggested that you go to your nearest conciliation service office and present the matter to them.

I told him I admired his attitude. I told him that back in 1939, on the floor of the Senate, I said we needed a definite labor policy. Every day I receive letters from laboring men in Wisconsin who are friends of mine who confirm that they want such a policy. A definite labor policy is needed now more than ever before.

But when it comes to the question of high prices of food attempt is made to induce people to believe that the farmer should be damned, when he works practically around the clock.

Mr. President, the two letters I have read present a situation in America of which we certainly must take cognizance. They are interrelated. The trouble with much of our legislation is that we bring up an idea and we try to handle that idea as if it were the only idea, whereas it is part of a series of ideas. So, Mr. President, I feel that if we are going to handle the subsidy idea properly, it must be done in such a way that that segment of our people that needs help will receive help, and that we should not particularly see to it that folks who do not need aid are assisted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. WHERRY. Mr. President, I regret that the senior Senator from Ohio is not in the Senate Chamber at the moment. I should like to ask him a question. He made the statement that there was no difference between producer subsidies and support subsidies or consumer subsidies. I think there is all the difference in the world between a

support price to guarantee to the farmer his price for production and a consumer subsidy paid to the consumer for help to buy agricultural products.

The Senator from Ohio said on the floor of the Senate that those who supported the measure of the Senator from Alabama were in a rather embarrassing position because if we supported this proposed measure we would support the general principles of subsidies, while cutting off the consumer subsidy which is prohibited by the bill. We do find ourselves in that position.

I am against a subsidy in lieu of a fair price. It is that type of subsidy that is outlawed in this bill. Last June we attempted to settle the subsidy question once and for all. Since that time a program has been announced whereby the producers of sugar beets and the producers of wool, and the producers of incentive crops will be paid a support price. If we were to vote against the bill because it provides for continuation of support prices, we would absolutely fail to keep faith with the farmer.

Mr. President, I do believe there is a great deal of difference between a support price subsidy and a consumer subsidy. If I understand it correctly, a support price is paid to the farmer to increase agricultural production, and when that production amounts to a surplus, then the Government steps in and pays the loss in order to pay the farmer the guaranteed price and thereby keep faith with the farmer in the promise made by the Government. Support price subsidy goes to the increase of agricultural production, and the whole theory of support prices has been to increase the production of agricultural products. But if I understand the Senator's amendment, on page 3, beginning where provision is made that the Commodity Credit Corporation shall have the right to buy in the open market, it can buy anything it wants to on which there is a support price, whether it is a surplus product or not, then after it is processed, either by contract or otherwise, the Corporation turns around and sells it to the consumer at a loss, the loss being the difference between the purchase price and the sale price, so to avoid an increased cost to the consumer. I think that is an entirely different thing from a support price, to increase agricultural production.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. Let us consider the sugar subsidy. What is it? A price for sugar beets was guaranteed, and the processor is paid the difference, in order not to pass the cost of sugar beets on to the consumer. That is exactly the same kind of subsidy as any other. In the matter of increasing production it is not a question of whether a support price is paid; it is a question of the kind of support price that is paid. The higher the support price the greater the increase in production. As long as there is a support price, production is increased. My idea is to pay a subsidy only when it can be based on a support price. First, encourage production, and then determine in the best interest of the country

as a whole what shall be done. If it is not desired to pass the increased cost on to the consumer, pay a subsidy.

Mr. WHERRY. My contention, Mr. President, is that instead of having the public pay the increased cost of production, the Government pays the loss as a consumer subsidy to reduce the cost of living.

Mr. TAFT. The farmer is paid, but if there is no subsidy the difference is passed on to the consumer. A support price, of course, is not the same as a subsidy. Senators talk about a support-price subsidy. There is no such thing except in what I have in my amendment. All subsidies have the effect of cutting down the margin between the producer and the consumer. One cannot be classified as a consumer subsidy and another as a producer subsidy. There is no such difference.

Mr. WHERRY. Mr. President, my understanding of the amendment, and especially now since the Senator has made his explanation, is that the consumer does not pay the increased cost of processing of agricultural products, but the Government does pay the loss. We are speaking of support prices. We are speaking of the Commodity Credit Corporation buying and selling at a loss. I think the Commodity Credit Corporation should do only one thing, and that is to pay the loss to a farmer if a crop is overproduced and a surplus arises, because the farmer has been guaranteed the support price. I think that is the only proper interpretation of support price.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. The kind of subsidy the Senator is condemning is exactly the kind of subsidy we authorize when we put sugar in as an exception. The Government guarantees a certain price for beets, and that price could be allowed to go right on to the consumer in an increased price of sugar if it were desired to do so. Instead of that the Senator has approved and voted for a subsidy, and as a citizen of Nebraska, with his sugar-beet factories he is excepting sugar and saying, "With respect to sugar we will not pass that cost on to the consumer. We will pay the difference to the processor so that we do not have to pass it on to the consumer." He cannot distinguish between what he is doing with sugar and what any one of the other subsidies authorized by my amendment would do.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AIKEN. I was about to say that I think the Senator from Ohio is somewhat wrong in calling the sugar subsidy a farmer's subsidy. It seems to me it is a subsidy to insure national defense, to keep this country from becoming entirely dependent on overseas sources of sugar; because we know that sugar is absolutely essential in wartime.

I do not believe the subsidy is paid wholly for the benefit of the beet growers of the United States. They necessarily have to receive a higher price for their

products because of the seasonal nature of the production.

Mr. WHERRY. Mr. President, I am always appreciative of the advice and leadership and counsel of the senior Senator from Ohio [Mr. TAFT], and I wish to thank him for his remarks and comments about my knowledge of the program relative to sugar beets and meat. However, I wish to tell him that I think he has in his amendment exactly what I said; and, to use plain English, I think it is nothing more than a consumers' subsidy. I think it is the first time we have ever been asked legally to authorize a consumers' subsidy in this country. If we do, and if we put up \$950,000,000 now for it, they will be back here within 6 months asking for another \$950,000,000 to pay the grocery bills of the people. The Senate is now being asked to do it, under the theory that it is a support-price proposition. The only losses we should pay are those necessary to make good on the price guaranties the Government has made to farmers, rather than to pass on the benefit to the consumers, as a consumers' subsidy. The consumers are the ones who are and will be benefited, rather than the farmers.

In the amendment of the Senator from Ohio we have a consumers' subsidy. We do not have it in the bill as reported by the Senator from Alabama [Mr. BANKHEAD]. While it is true—and I made the remarks before the Senator came into the Chamber—that I am called upon to support the sugar price support program, because I want to keep faith with the program that has been announced, I am against the consumers' subsidy.

The amendment of the Senator from Ohio provides for a consumers' subsidy, but such a subsidy is not provided for in the committee bill. That is why I shall support the committee bill and shall oppose the amendment of the Senator from Ohio.

Mr. TAFT. Mr. President, I am not opposing a farmers' subsidy, but the committee bill does propose a consumers' subsidy. The purpose of paying it is to prevent passing on to consumers an increased price of sugar. The Senator from Nebraska has said there must be a support price for sugar beets. That is correct. The reason why a sugar subsidy is particularly defensible is that we do not want to increase the price of all imported sugar. So by subsidizing the sugar grown in this country we save the consumers about three times as much as we pay out. That is the justification for the sugar subsidy; and there is a similar justification for the oil subsidies.

But this would authorize a complete sugar subsidy. If the Government wanted to do so under the provisions of the pending bill it could use \$100,000,000 or more to reduce the present price of sugar to consumers throughout the United States. That is what is authorized here. The Government could apply that to all foreign sugar if it chose to do so. I do not say the Government would do so, but the authority to do so is contained in the bill as reported.

Without my amendment, the bill is that broad, and it authorizes consumers'

subsidies. It authorizes consumers' subsidies without limit as to those particular commodities; whereas in my amendment I have provided a very definite limit, and require that before that is done a support price to the farmers be put on, so as to protect the farmers. Under the bill as reported by the Senator from Alabama, it is not necessary to put on a support price for sugar or for wool or for vegetable oils. It is possible to subsidize the consumers, if that is desired.

Mr. WHERRY. That is what the Senator is doing by his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT].

Mr. JOHNSON of Colorado. Mr. President, let me inquire whether I correctly understood the Senator from Ohio to change his amendment again, so as to read "in line 15", as it did in the first place?

Mr. TAFT. Yes; I left in the same language that is contained in the bill as reported by the Senator from Alabama. I think there is sufficient authorization without it, but I left that language in.

Mr. JOHNSON of Colorado. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio to the committee amendment.

Mr. McKELLAR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Radcliffe
Andrews	Guffey	Reed
Austin	Gurney	Revercomb
Bailey	Hatch	Reynolds
Ball	Hawkes	Robertson
Bankhead	Hayden	Russell
Barkley	Hill	Shipstead
Bilbo	Holman	Smith
Bone	Johnson, Colo.	Stewart
Brooks	Kilgore	Taft
Buck	La Follette	Thomas, Idaho
Burton	Langer	Thomas, Okla.
Bushfield	Lucas	Thomas, Utah
Byrd	McClellan	Truman
Capper	McFarland	Tunnell
Caraway	McKellar	Tydings
Chandler	Maloney	Vandenberg
Chavez	Maybank	Wagner
Clark, Idaho	Mead	Wallgren
Clark, Mo.	Millikin	Walsh, Mass.
Connally	Moore	Walsh, N. J.
Danaher	Murdock	Wheeler
Downey	Murray	Wherry
Eastland	Nye	White
Ellender	O'Daniel	Wiley
Ferguson	Overton	Willis
George	Pepper	Wilson

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REYNOLDS (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. Mc-

CARRAN]. I do not know how he would vote. If I were at liberty to vote, I should vote "nay."

Mr. WHITE (when Mr. TOBEY's name was called). I again announce the absence of the Senator from New Hampshire [Mr. TOBEY] because of the serious illness of a member of his family.

Mr. WILLIS (when his name was called). On this question I have a pair with my colleague the junior Senator from Indiana [Mr. JACKSON]. I am informed that if he were present he would vote "nay." As I intend to vote the same way, I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business. I am advised that if present and voting, the Senator from Wyoming [Mr. O'MAHONEY] would vote "yea."

The Senator from Indiana [Mr. JACKSON] is detained on public business.

The Senator from Rhode Island [Mr. GERRY] is necessarily absent.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I am advised that if present and voting, he would vote, as I intend to vote. Therefore, I am at liberty to vote, and I vote "nay."

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

I am advised that the Senator from New Hampshire [Mr. TOBEY], the Senator from California [Mr. JOHNSON], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Nebraska [Mr. BUTLER] would vote "nay" if present.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Wyoming [Mr. ROBERTSON] has a pair with the Senator from Wyoming [Mr. O'MAHONEY].

The result was announced—yeas 16, nays 64, as follows:

YEAS—16

Ball	Hatch	Vandenberg
Burton	Johnson, Colo.	Walsh, Mass.
Danaher	Murray	White
Davis	Pepper	Wiley
Downey	Radcliffe	
Ferguson	Taft	

NAYS—64

Aiken	Green	Overton
Andrews	Guffey	Reed
Austin	Gurney	Revercomb
Bailey	Hawkes	Russell
Bankhead	Hayden	Shipstead
Barkley	Hill	Smith
Bilbo	Holman	Stewart
Bone	Kilgore	Thomas, Idaho
Brooks	La Follette	Thomas, Okla.
Buck	Langer	Thomas, Utah
Bushfield	Lucas	Truman
Byrd	McClellan	Tunnell
Capper	McFarland	Tydings
Caraway	McKellar	Wagner
Chandler	Maloney	Wallgren
Chavez	Maybank	Walsh, N. J.
Clark, Idaho	Mead	Wheeler
Clark, Mo.	Millikin	Wherry
Connally	Moore	Willis
Eastland	Murdock	Wilson
Ellender	Nye	
George	O'Daniel	

NOT VOTING—15

Brewster	Glass	O'Mahoney
Bridges	Jackson	Reynolds
Butler	Johnson, Calif.	Robertson
Gerry	McCarran	Scruggam
Gillette	McNary	Tobey

So Mr. TART's amendment was rejected.

Mr. McCLELLAN obtained the floor.

Mr. REED and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield, and if so, to whom?

Mr. McCLELLAN. I yield to the Senator from Kansas.

Mr. REED. Mr. President, I wonder if the Senator will yield to me so that I may offer a perfecting amendment, which I am sure will take very little time.

Mr. McCLELLAN. I do not wish to yield for the purpose of the Senator offering an amendment. I wish to offer an amendment myself.

Mr. REED. Mr. President, I understand the Senator from Arkansas will offer an amendment which will involve considerable discussion and debate. I wish to offer an amendment which will take only a moment of the time of the Senate.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. McCLELLAN. I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Chair wishes to remind the Senator from Arkansas that he cannot retain the floor while business is being transacted.

Mr. McCLELLAN. For what purpose does the Senator from Kentucky ask me to yield?

Mr. BARKLEY. I wish to feel out the situation to see if we could not enter into a unanimous agreement to limit debate on the bill and any further amendments thereto, so that we might bring it to a conclusion.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. McCLELLAN. Would yielding to the Senator from Kentucky result in my losing the floor?

Mr. BARKLEY. It would not unless some Senator should make a point of order, and I certainly will not make it myself.

Mr. McCLELLAN. I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I had hoped that we might enter into an agreement for a limitation of debate now, with the idea that we might dispose of the bill today. The present occupant of the chair [Mr. La FOLLETTE] shakes his head, indicating that he would not agree at this time to a limitation of debate.

The PRESIDING OFFICER. The Chair states that in his capacity as Senator he would have to object.

Mr. BARKLEY. Then I have no purpose in further delaying the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, there is on the desk an amendment which has been offered by the junior Senator from Mississippi [Mr. EASTLAND] and myself. I should like to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 10, after line 23, it is proposed to insert the following new section:

SEC. —. (a) Within a period of 120 days from the effective date of this act, and within each 6-month period thereafter, maximum prices heretofore or hereafter established on milk and the products thereof (pursuant to the Emergency Price Control Act of 1942, as amended by Public Law 729, approved October 2, 1942), shall be adjusted on a regional or market basis as the case may require to the extent necessary to (1) reflect changes in farm labor costs (including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm computed for all such labor on the basis of wage rates for hired farm labor), feed prices (including all feed fed whether purchased or home grown), and other costs since January 1, 1941; (2) place the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war and civilian purposes: *Provided*, That in determining the extent to which maximum prices shall be adjusted as provided herein, due consideration shall be given to historical and normal differentials customarily applied as between markets and regions: *Provided further*, That in no event shall maximum prices on milk and the products thereof be established below support prices therefor or below the prices specified in section 3 of Public Law Numbered 729, approved October 2, 1942: *Provided further*, That where minimum prices to producers of milk have been regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the War Food Administrator is hereby directed, within the periods prescribed in this section (relating to the adjustment of maximum prices), to adjust such minimum prices to reflect adjustments in maximum prices determined and ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained herein is intended, nor shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended.

(b) In order to effectuate the purposes of paragraph (a) of this section, the War Food Administrator and the Price Administrator are hereby directed to hold public hearings on a regional or market basis as the case requires. For such purposes there shall be utilized the hearing procedure and the personnel of the Food Distribution Administration of the United States Department of Agriculture established under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and such other personnel of the Department of Agriculture and the Office of Price Administration as may be required. As soon as practicable after the completion of the hearing, but in any event within the periods specified in paragraph (a), the War Food Administrator and the Price Administrator shall make public their joint findings based only on relevant substantial evidence of record at the hearing and the Price Administrator forthwith shall issue an order adjusting such maximum price or prices on the basis of and in conformance with such findings.

(c) Any person (within the meaning of section 302 (h) of the Emergency Price Control Act of 1942, as amended) who is adversely affected by the order of the Price Administrator may, within 30 days after the action adjusting such maximum price or prices, file a complaint with the Emergency

Court of Appeals specifying his objections and praying that the order be enjoined or set aside in whole or in part.

The War Food Administrator shall be made a party to the proceedings and upon service of the summons and complaint, the Price Administrator shall certify and file in the court the transcript of the proceedings and the record upon which the order adjusting such maximum price or prices was based. The proceedings in such court shall be subject to all applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended; except, that wherever the term "Administrator" is used therein, it shall, for the purposes hereof, be construed to mean the War Food Administrator and the Price Administrator: *Provided*, That during the pendency of such proceedings the Price Administrator may not modify or rescind his order adjusting such maximum price or prices except upon the basis of additional joint findings on evidence adduced pursuant to the order of the court. The provisions of this section shall terminate coterminous with the expiration of the Emergency Price Control Act of 1942, as amended.

Mr. McCLELLAN. Mr. President, this amendment is taken from Senate bill 1418, which was introduced by the junior Senator from Mississippi [Mr. EASTLAND] and myself several months ago. After the bill was introduced the Committee on Agriculture and Forestry held hearings on it, reported it favorably to the Senate, and it is now on the calendar.

Section 1 of the bill as originally introduced, which provided for an immediate adjustment of milk prices on the basis of 46 cents per hundredweight throughout the Nation, has been eliminated from the amendment now offered.

If the pending bill, which refuses to permit or give sanction to the continuation of the subsidy policy and program, should be enacted, then this amendment would rightfully belong to and would implement the legislation. It would set up the machinery immediately whereby the War Food Administration and the Administrator of the Office of Price Administration are directed within 120 days from the date of the enactment of this law to adjust on a regional or market basis, as the case may require, the prices of milk to the extent necessary to effectuate the following:

(1) Reflect changes in farm-labor costs (including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm computed for all such labor on the basis of wage rates for hired farm labor), feed prices (including all feed fed whether purchased or home-grown), and other costs since January 1, 1941; (2) place the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war and civilian purposes.

The amendment would further require, Mr. President, that each 6 months thereafter the same process be followed, if necessary, in making an adjustment of milk prices so as to reflect these four goals. After the adjudication is made and the price is fixed, if any affected party is aggrieved or dissatisfied, the amendment then provides for a right of appeal to the Emergency

Court of Appeals, and pending that time the order, whatever it may be, cannot be changed.

The whole purpose of this amendment is to try to set up machinery so as to make it certain that dairy products shall be given the consideration to which they are entitled and that the producers of dairy products shall have fixed for their products by the Office of Price Administration and by the War Food Administrator a price which will reflect the increased cost of production, taking into account the factors I have already enumerated, covering changes which may have occurred since January 1941.

Mr. President, I think this amendment is important. The truth is that the dairy industry and the milk producers, possibly, have suffered more than any other agricultural interest with respect to the O. P. A. regulations and restrictions and price controls which have been invoked. The industry has been affected to such an extent that today, notwithstanding the increased demand for milk and for dairy products, national production has fallen off; as compared to the average production of other agricultural products for the period from 1935 to 1939, the dairy production has not at all kept pace.

Unless, Mr. President, something is done and done quickly—and in my judgment it will have to be done by the Congress—the shortage of milk products and dairy products will continue to increase. I am sure every Member of the Senate has received letters and information from home, as have I, to the effect that dairy herds are being put on the market, that the cost of producing milk today is equal to or above the O. P. A. price ceiling, and that it can no longer be produced at a profit, even including the subsidy on dairy products which is now paid, amounting in round numbers to \$441,000,000.

Certainly, if the subsidy is removed, as is contemplated by the pending bill, then, Mr. President, it is absolutely imperative that immediate steps be taken either through the processes set up by this amendment or by other means to reestablish a fair price for dairy products in order that this industry may survive.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Florida?

Mr. McCLELLAN. I yield.

Mr. PEPPER. I will ask the able Senator if it is not a fact in his State, as it is in the State which I have the honor in part to represent, that the current subsidy being paid is grossly inadequate to give a fair return to the dairy industry for the production of milk?

Mr. McCLELLAN. It is wholly inadequate. In my opinion, Mr. President, in order to put the dairy industry on a competitive basis with other agricultural products and also on the basis of other prices, the present subsidy would have to be doubled and possibly trebled. That would be necessary in order to put this industry on a sound economic basis

under present circumstances and conditions.

This proposed legislation, if it shall be favorably acted upon by the Senate and shall become a law, will have the effect of stopping the subsidy program, and certainly if that happens, considering the depressed condition of the dairy industry at this time, it is imperative, Mr. President, that action on this order be taken, that some machinery be immediately provided and legislative direction given to the Office of Price Administration and to the War Food Administrator to take action to adjust the prices so that this industry may survive.

Mr. President, I have discussed this amendment only briefly with the very able Senator from Alabama who is in charge of the bill. I hope there will be no objection to it. I hope that the committee can accept it or that the Senator from Alabama can accept the amendment, and that it may be adopted and become a part of the law, if the pending bill is enacted.

Mr. BANKHEAD. I will say to the Senator from Arkansas that I do not understand that I have the power, either as author of the bill or as the one who was designated to report it to accept in a binding way any amendment to the bill after it is reported. I will simply say that if I had the power to accept it, I would do so very gladly. I think it is consistent with the philosophy I am supporting; it is supported by the milk producers of the country, and it seems to me to be sound in philosophy and theory. Therefore, so far as I am concerned, I not only would consent, but I really hope the amendment will be adopted.

Mr. PEPPER. Mr. President, I shall say just a word, because it is not necessary to say a great deal on the amendment.

I had hoped that we would not unloose the floodgates and bring about an increase in the cost of living in the country, because I think we would thereby cause grave injustice to the major part of our population.

It has always seemed clear to me, and I am sure it has certainly been clear to other Senators, that there is just one of three courses to be followed in respect to the question before the Senate. Producers who are not getting a fair return will have to suffer unless we do one of two things, either give them an increase in the market prices of their products, or give them a subsidy out of the Federal Treasury. To my limited intellect there seems to be no way open except one of those two, if, by hypothesis, producers are not getting enough for what they grow.

Mr. President, that applies particularly to the dairy industry. Those engaged in that industry in my State of Florida are suffering, and I am sure my able colleague here will attest that fact. Hundreds of dairy cattle have been sold by dairymen, some of them for beef. I myself have seen fine Jersey cows, excellent milk cows, sold in the farmer's market, as many as half a dozen or a dozen, when they should have been furnishing milk for the people of my State.

But the dairymen were being compelled to sell their cows because, due to the constant increase in the price of labor and in the price of feedstuffs, they could not remain in the dairy business. They have been here repeatedly attempting to obtain relief from the Government.

A few days ago a man came to Washington from Miami and brought with him his accounts with the supply house from which he bought his feedstuffs. He showed by his own books and records that he had \$4,000 in the bank the previous year, but when he came here he had not only exhausted his \$4,000 in the bank in trying to remain in the dairy business, but in addition he owed \$3,800, as I recall the amount, to the wholesale house which supplied him with feedstuffs; and he had the figures establishing that fact. It is not fair to take anyone's private property for public use without just compensation, and that is what we do if we require any person to continue to give his substance to the public good without being compensated for it. That, we must all admit, is not a desirable result.

The only point about which we disagree is as to the best way to help the producer who is not getting a fair return. About that question honest men may honestly differ. I voted in favor of the Maloney amendment. I believe in the subsidy. Other Senators feel equally strongly the other way, and I certainly respect the honesty and integrity of their opinions.

At this time the Senate has already acted in prohibition of the subsidy. So far as I am able to perceive, therefore, if the dairy people in my State and in other Senators' States are not to suffer, we have either to give them a subsidy or give them a greater return in the market place. I recall the time when 37 Senators appeared in the room of the Committee on Agriculture and Forestry in the presence of Judge Vinson and told him about the plight of their States, and I see many of those Senators sitting in the Chamber at the present time. Yesterday afternoon, however, the Senate denied those engaged in the dairy industry the subsidy, and, therefore, if they are not to suffer I know of no redress possible for them save to allow them an increase in the market place, and for that reason I shall support the amendment offered by the distinguished Senators from Arkansas and Mississippi.

Mr. TAFT. Mr. President, I merely wish to say that this amendment involves the Congress voting in favor of an increase in the price of milk. I do not think we should increase the price of any particular product. Whether we think the prices are wrong or right, if we proceed to pass on the price of milk, on the price of hogs, on the price of corn, and the price of every other product, there will be no end to the legislation in which we will become involved, even though we may agree that the price of milk should be higher. We have enacted a law, we have given to a board power to fix the price. I feel the same about an increase in the price of oil. It may be more than just, but I do not think Congress can undertake to pass on the price of one

product after another, under the Price Control Act.

Mr. EASTLAND and Mr. McCLELLAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield, and if so, to whom?

Mr. TAFT. I yield first to the Senator from Mississippi.

Mr. EASTLAND. Where in the amendment does it say that prices must be raised?

Mr. TAFT. It says:

(a) Within a period of 120 days from the effective date hereof, and within each 6-month period thereafter, maximum prices heretofore or hereafter established on milk and the products thereof (pursuant to the Emergency Price Control Act of 1942, as amended by Public Law 729, approved October 2, 1942) shall be further adjusted on a regional or market basis as the case may require to the extent necessary—

Adding all costs which occurred since January 1—3 years ago—which probably represents an increase of 50 percent.

Mr. EASTLAND. The Senate provided that prices must be adjusted taking into consideration the difference in the cost of production from 1941 until the date it sets out the formula under which the price of milk is to be determined. Certainly the Senator favors an adequate food supply for the American people.

Mr. TAFT. Let me go back. I may misread the amendment. As I read it, this is what it provides:

Within a period of 120 days from the effective date hereof, and within each 6-month period thereafter, maximum prices heretofore or hereafter established on milk—

That means the prices fixed on milk today by regional agreement or by the price control act. It continues:

and the products thereof (pursuant to the Emergency Price Control Act of 1942, as amended by Public Law 729, approved October 2, 1942) shall be further adjusted on a regional or market basis as the case may require to the extent necessary to (1) reflect changes in farm labor costs (including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm computed for all such labor on the basis of wage rates for hired farm labor), feed prices (including all feed fed whether purchased or home grown), and other costs since January 1, 1941.

The probable increase in costs in 3 years is somewhere between 25 and 50 percent, and we are taking prices which have been fixed today, not the prices which may have existed in January 1941, and saying we must add 2 or 3 years' increases in costs. It seems to me obvious that it will result in a 25-percent increase in the price of milk.

Mr. EASTLAND. Any business must have increased revenue when its costs increase, and if the cost of the production of milk increases, of course the price of milk must be increased.

We all admit that the dairy industry today is partially living on a subsidy. If we take off the subsidy, as it looks as if the Senate will do, under the bill, we must set up adequate machinery to give the dairy interests cost of production, or we will have a milk famine in this country.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. AIKEN. I should like to say a word. The purpose of the Eastland-McClellan amendment is to compel compliance with the price-control act of October 2, 1942, and the marketing agreement act of 1937. The Senator from Ohio certainly does not approve letting the executive departments "get by" without complying with those acts, does he?

Mr. TAFT. Not at all, but if those acts are on the statute books and are being disregarded, what is the use of passing another measure which makes the same provision? However, I would not have any particular objection if that were the fact, but as I read the amendment it does something very different. In effect, I think, it says we can take present prices and add to them the increase in costs. I may be mistaken, but that is the way the language reads to me. If the Senator merely wishes to add to the price as it was on January 1, 1941, the increase of cost which has occurred since that time, I have no objection. That is what the price control act provides, but I do not think that is what the amendment provides.

Mr. AIKEN. Then the Senator has no objection to the amendment, if that is what it does. It is too bad that we have to ask any executive agencies to comply with the law; nevertheless, it seems necessary to do so, because they have failed to do it. The purpose of the amendment is to direct them to comply with the two laws I have mentioned, and I believe the Senator from Ohio voted for them, and I assume he stands by them today.

Mr. TAFT. If the Senator from Mississippi will state that in his opinion the provision simply means that the increase over 1941, over what it was 3 years ago, shall be equal to the increase in cost for the same period, I have no further objection to the amendment.

Mr. EASTLAND. Would the Senator please repeat his question?

Mr. TAFT. I think I shall have no objection if the Senator will state that the object is to provide that the price of milk shall be increased as much over what it was 3 years ago, January 1, 1941, as the cost of production of milk has increased during the same years.

Mr. EASTLAND. An increase has already been granted. The purpose is to fix the price of milk according to the formula set out in the amendment, which we think is equitable.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. I should like to ask a question of the Senator from Mississippi. Would the amendment as drafted permit a board which was conducting a public hearing, to place the fair price of the milk as of the date the board was sitting, considering the four items which are to be found on the top of page 2 of the amendment?

Mr. EASTLAND. That is exactly so.

Mr. FERGUSON. If it were found that a reduction in price was justified it could

be made under the provisions of the amendment, and if it were found that an increase in price was justified it could be made?

Mr. EASTLAND. That is correct. But under the act of 1937 the price of milk can be set only in interstate commerce. We use that machinery with respect to milk produced and shipped in intrastate commerce.

Mr. TAFT. What confuses the issue, I think, is that the phrase "since January 1, 1941," is contained in the amendment. Why should that not be stricken out? What is wanted is an adjustment to meet the increased cost. When the matter is related to a particular date the cost is related to a particular date, but the change in price is not related to a particular date. The change in price is related to the existing price. I suggest that if the Senator eliminates from his amendment "January 1, 1941," I would have no objection to it.

Mr. EASTLAND. I did not see any point in eliminating that date. We have here the basis to start with. It takes in the whole period. While I cannot speak for the Senator from Arkansas, I for my part do not feel that it should be eliminated.

Mr. McCLELLAN. I will say to the Senator from Ohio that that date is fixed in the amendment as a basis from which to start. If no date is fixed from which to determine increase in cost, those charged with the determination could go back to 1920 or any other time. There must be some point beyond which they cannot go. In other words, there must be a basis, some date from which to proceed.

Mr. TAFT. This provision suggests the Little Steel formula. What is the Little Steel formula? It is that wages shall not be increased more than 15 percent over what they were on January 1, 1941. This has nothing to do with the price of milk on January 1, 1941. This simply says that in considering the change in the present price the increased cost since January 1, 1941, must be taken into consideration.

Mr. McCLELLAN. It would carry with it the increase in the cost of producing milk since that time. The increased cost since then would be determined. There has also been an increase in price since then, which would be considered. When the subsidy is taken off, of course, that would result in a decrease in the price which the farmer or the dairyman receives for his product, and that would have to be taken into account. The price would have to be adjusted on that basis.

Mr. EASTLAND. The date, January 1, 1941, is fixed in order to take into account the abnormal cost due to the war, and also increases in prices.

Mr. TAFT. But a part of that cost may have already been taken into account by the increase in price.

Mr. EASTLAND. All the amendment does is to utilize the machinery which has already been set up, to take into consideration in fixing the price of milk the increased cost due to the war emergency since the date fixed.

Mr. McCLELLAN. It does not necessarily mean that the price must be increased one cent, but that in adjusting the price to effectuate the purposes as set forth, those charged with the determination of the matter are directed to take into account the increased cost since that time.

Mr. EASTLAND. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. EASTLAND. In the next few months if the costs decrease, then the price of milk would decrease.

Mr. TAFT. But I understand the Senator thinks the amendment means that in fixing the price, consideration must be taken of what the price of milk was on January 1, 1941.

Mr. EASTLAND. It would take into consideration, in fixing the price, increases since that date.

Mr. TAFT. Is it intended to relate the increase to the increase in the price of milk from that which existed on January 1, 1941?

Mr. EASTLAND. That is correct.

Mr. TAFT. If that is the meaning of the proposal, I have no objection to it.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DOWNEY. I desire to say to the distinguished Senators who have offered the amendment that I think the point being made by the Senator from Ohio is absolutely correct. The amendment as it now reads provides that to the maximum price of milk in the last 3 years there shall be added the increase in the cost of production during that period.

Mr. EASTLAND. No.

Mr. DOWNEY. The amendment certainly provides that the maximum prices heretofore or hereafter established on milk products shall be taken, and then, beginning with them, adjustment shall be made to reflect the changes in farm-labor costs over the period of time since January 1, 1941.

Mr. McCLELLAN. Adjusting a price does not mean to increase a price. The price is adjusted taking those things into account.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. EASTLAND] on behalf of himself and the Senator from Arkansas [Mr. McCLELLAN].

The amendment was agreed to.

Mr. AIKEN. Mr. President, on behalf of myself and the Senator from Wisconsin [Mr. LA FOLLETTE], I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. (Mr. ELLENDER in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the committee beginning on page 9, line 11, and extending down to and including line 23, on page 10—being section 3—it is proposed to insert the following:

TITLE I—GENERAL PROVISIONS AND AUTHORITY PURPOSES

SEC. 3. It is hereby declared to be in the interest of national defense and security and necessary to the effective prosecution of the

present war and the maintenance of the health, efficiency, and morale of the civilian population, and the morale of those members of the armed forces who have dependents among the civilian population, that the limited supplies of food presently available for civilian consumption be equitably distributed among the various sections of the Nation and among persons in the various income groups, and that the means of obtaining sufficient food for an adequate diet be placed so far as possible within the reach of every person in the Nation. It is further declared that the operation of the national food-allotment plan, as provided in this act, is a desirable and effective method of accomplishing the purposes hereinabove set forth.

DEFINITIONS

SEC. 4. As used in this act—

(a) The term "Director" shall mean the Deputy Director of the Food Distribution Administration charged with the establishment and operation of the food-allotment plan.

(b) The term "household" shall mean one person who alone, or a group of two or more persons who at a common table, customarily consume food prepared by or for him or them in a home or noncommercial nonpenal institution. Households shall be classified for the purposes of this act according to number of members and monthly income. Such income classification shall be according to \$10 levels.

(c) The term, "basic food allotment" per person, shall mean the following amounts of food per person per week or the equivalent thereof in nutritional value and approximate cost as determined by the Director:

Milk, or its equivalent in cheese, evaporated milk, or dry milk, 5 quarts.

Potatoes and sweetpotatoes, 4 pounds.

Dry beans, peas, and nuts, 8 ounces.

Tomatoes and citrus fruits, 1 pound 8 ounces.

Leafy, green, or yellow vegetables, such as green cabbage, kale, snap beans, and carrots, 1 pound 8 ounces.

Other vegetables and fruits, 2 pounds 5 ounces.

Eggs, 4 (number of eggs).

Meat, poultry, and fish, 1 pound 8 ounces.

Flour and cereals, 4 pounds 7 ounces.

Fats and oils, 14 ounces.

Sugars, sirups, and preserves, 12 ounces.

(d) The term "normal food expenditures" shall mean the amount of money customarily expended for the purchase of food plus the money value of home-produced food consumed by households of a specific size and income classification during a specified period of time.

ESTABLISHMENT OF THE FOOD-ALLOTMENT PLAN

SEC. 5. The War Food Administrator created by Executive Order No. 9322 is hereby authorized and directed to establish and administer a national food allotment plan in accordance with the provisions of this act under the supervision of a Deputy Director of the Food Distribution Administration. Such plan shall provide for the issuance to eligible households, according to need and free of charge, of food-allotment coupons of prescribed monetary values and in such form as may be approved by the Director. Coupons so issued shall be transferable by the recipient thereof to mercantile establishments registered in accordance with the provisions of this act in exchange for food or food products of equal value at the prices currently prevailing in the establishment of the transferee and shall be redeemable at face value upon presentation to the Treasury by any authorized transferee thereof. Such coupons may be transferred by such transferee and accepted in payment for food or food products purchased by him, or deposited by such original or subsequent transferee with a banking institution authorized

by the Director to receive the same for redemption as hereinafter provided.

ELIGIBILITY OF HOUSEHOLDS

SEC. 6. (a) The determination with respect to the eligibility of households to participate in the national food allotment plan shall be made on the basis of the number of persons who are members thereof and their monthly rate of income. Individual households shall be certified only upon the voluntary application of a member thereof. A household shall be eligible to participate in the national food allotment plan and receive food-allotment coupons: *Provided*, That households of the same size and income classification, considered as a group, are found by the Director, on the basis of factual studies conducted under his supervision, to have normal food expenditures less than the reasonable cost of the basic food allotment of such households.

(b) For the purpose of determining eligibility and the value of coupons issuable, as provided in section 5 of this act, the Director shall determine semiannually in the manner specified in subsection (a) of this section, the normal food expenditures and the reasonable cost, according to the food prices collected by the Bureau of Labor Statistics in the Department of Labor, of the basic food allotment for households within each size and income classification. Such normal food expenditures shall be stated in terms of the national average, but the Director may, if he deems it necessary in order to effectuate the purposes of this act of securing equitable distribution of food supplies, provide for regional differentials with respect to the reasonable cost of the basic food allotments.

VALUE OF FOOD ALLOTMENT COUPONS ISSUABLE

SEC. 7. (a) Each household certified as eligible shall be entitled, subject to the provisions of subsection (b) of this section, to receive food-allotment coupons of a value which, added to the normal food expenditures for households of the same size and income classification, as determined by the Director, shall equal the reasonable cost of the basic food allotment for a household of that size as so determined. The value of coupons to be issued for each period shall be adjusted to the nearest whole dollar.

(b) If the Director finds that the funds available for expenditure in accordance with the provisions of this act are insufficient to meet the full amount of the difference between normal food expenditures and the reasonable cost of the basic food allotment for all eligible households participating in the plan, he shall establish a percentage of the reasonable cost of the basic food allotment which can be attained for all participants out of the funds available, and shall cause food-allotment coupons to be issued to each participating household of a value which, added to the normal food expenditures as aforesaid, shall equal the established percentage of the reasonable cost of the basic food allotment of a household of that size.

(c) Except for variations based on regional differentials authorized under section 4 (b) of this act, all households of the same size and income classification shall be entitled to receive food-allotment coupons of the same value. Except for adjustments to the nearest whole dollar as provided in subsection (a) of this section, in no event shall coupons be issued to any household of a value in excess of that which added to the normal food expenditures for a household of the same size and income classification shall equal the reasonable cost of the basic food allotment for a household of that size as determined by the Director.

DISCRIMINATION PROHIBITED

SEC. 8. There shall be no discrimination against any household with respect to eligibility, classification, participation, or issuance or utilization of food-allotment coupons

under the provisions of this act by reason of race, religious creed, national origin, citizenship, political affiliations or beliefs, occupation, employment, or other tests, except as provided for in this act and as necessary to insure general fairness and equity in the application of this act.

PRESERVATION OF STANDARDS

SEC. 9. No moneys herein or hereafter appropriated for the purposes of this act shall be expended in lieu of Federal, State, or local expenditures customarily made for the direct benefit of households within the income groups found eligible to receive food-allotment coupons. Present standards for the payment, and payments, of social security and other types of assistance shall not be made less favorable to the recipients, or applicants for such assistance, by reason of the operation of the food-allotment plan.

DETERMINATION AND CLASSIFICATION OF ELIGIBLES

SEC. 10. (a) The Director shall designate appropriate State, local, and private agencies and ration boards where feasible to receive applications to participate in the food-allotment plan, to determine the eligibility of such applicants for food-allotment coupons, and to certify to him the names of those found eligible, together with such relevant data concerning the size and income classification of the households so certified as may be necessary to determine the value of the coupons to be issued to the applicant and such other information as may be necessary to the efficient administration of the food-allotment plan. The Director may reimburse such agencies so designated for reasonable expenses incurred in connection with the work performed by them.

(b) When the Director finds upon investigation that appropriate State, local, or private agencies are not available in any State or community, he may establish local offices and employ suitable personnel to receive applications, determine eligibility, and certify eligibles as provided in subsection (a) of this section.

(c) Each applicant shall furnish such information with respect to the size and income of the household of which he is a member as may be required by the Director and necessary to the determination of eligibility and of the value of food-allotment coupons to which such household is entitled. In determining the income classification of a household income in cash and in kind shall be considered in accordance with regulations issued by the Director. When two or more adult members, other than husband and wife, contribute to the support of a household, an equitable portion of the income of any such member other than the natural head of the household shall be deemed to constitute income of the household in accordance with regulations issued by the Director.

(d) The Director shall establish appropriate procedures for appealing from the determination as to eligibility and the value of coupons issuable.

(e) The eligibility of each participating household and the value of the coupons to which it is entitled shall be redetermined and certified at least twice in each 12-month period in accordance with rules and regulations issued by the Director.

ISSUANCE

SEC. 11. The unit for issuing food-allotment coupons shall be denominations of 10 cents and increasing denominations thereof. The Director, or his designated issuing agents, shall issue coupons in such manner, and at such times and places, as the Director may determine, taking into consideration efficiency of administration and the convenience of those entitled to receive such coupons.

REDEMPTION OF FOOD-ALLOTMENT COUPONS

SEC. 12. (a) The Director shall provide for redemption of food-allotment coupons ex-

changed for food and food products through the cooperation of the Treasury Department, Post Office Department, the General Accounting Office, and banking institutions throughout the Nation. He shall designate banking institutions to accept coupons from sellers of food at retail and wholesale. Institutions so designated shall pay at time of presentation in cash or by credit to a demand deposit the full value of all coupons presented to them.

(b) Banking institutions accepting coupons as provided in subsection (a) of this section and other authorized transferees may present such coupons for redemption at audit offices of the War Food Administration, and the General Accounting Office shall arrange to conduct the necessary audits of such claims at such offices, thereupon releasing the coupons to the Director for reissuance. Approved vouchers covering such claims shall then be forwarded to regional disbursing offices of the Treasury Department for payment.

(c) The Director may contract to reimburse banking institutions designated to receive food-allotment coupons for their reasonable expenses incurred in acting as such depository.

REGISTRATION OF FOOD DEALERS

SEC. 13. The Director shall provide by regulation a simple method for the registration of mercantile establishments selling food and food products at wholesale or retail which desire to be authorized to receive food-allotment coupons in exchange for food and food products. Such registration shall constitute authority so to receive food-allotment coupons.

TITLE II—ADMINISTRATION AND ENFORCEMENT

ADMINISTRATION

SEC. 201. (a) The Director may, subject to the civil-service laws and the approval of the War Food Administrator, appoint such employees as he deems necessary in order to carry out his functions and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Director may utilize the services of Federal, State, and local and private agencies, and may utilize and establish such regional, local, or other agencies and utilize such voluntary and uncompensated services as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Director in any case in any court. In the appointment, selection, classification, and promotion of officers and employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(b) The principal office of the Director shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place.

(c) The Director shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for law-books and books of reference; and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Director where the aggregate amount involved does not exceed \$250. Total administrative expenditures of all types shall not exceed 5 percent of the funds appropriated for the purposes of this act.

(d) The Director may, from time to time, issue such rules and regulations as he may deem necessary or proper in order to carry out the purposes and provisions of this act.

INVESTIGATIONS, RECORDS, AND REPORTS

SEC. 202. (a) The Director is authorized to make such studies and investigations and to obtain such information as he deems nec-

essary and proper to assist him in prescribing any rule or regulation under this act, or in the administration and enforcement of this act and the rules and regulations thereunder.

EDUCATIONAL PROGRAM

SEC. 203. As a part of the food-allotment plan, the Director shall provide, in cooperation with existing agencies of the Federal, State, or local governments, or private persons or groups, for improving the buying habits, food-utilization techniques, and food-preservation methods of the participants in the food-allotment plan.

SUSPENSIONS

SEC. 204. (a) The Director is authorized to suspend from participation in the food-allotment plan any State or area, if he finds after due notice and opportunity for hearing that any agency of such State or area serving as a certifying agent under the provisions of section 8 of this act (1) has knowingly violated any provision of this act or of any rule or regulation issued by him under the provisions of this act or has knowingly certified as eligible households not entitled to such certification or submitted inaccurate data with respect to size or income of households certified and (2) is likely to fail to comply in the future with the provisions of this act and the rules and regulations issued by him or to continue such unauthorized certifications or submission of inaccurate data.

(b) The Director is authorized to suspend from participation in the food-allotment plan any State or area, if he finds after due notice and opportunity for hearing that expenditures customarily made are being withheld, or that standards of payment or payments have been made less favorable, by such State or area, or by agencies thereof, contrary to the provisions of section 7 of this act.

(c) No State or area shall be suspended in accordance with the provisions of subsection (a) or (b) of this section except by written order of the Director signed by him.

(d) The Director is authorized and directed to provide by rules and regulations for the suspension from participation in the food-allotment plan of any registered food dealer, participating household, or banking institution found by him, or by any officer or employee designated by him, to hear and determine suspension proceedings, after due notice and opportunity for hearing, to have violated any provision of this act.

COUNTERFEITING OF FOOD-ALLOTMENT COUPONS

SEC. 205. Whoever shall falsely make, alter, forge, or counterfeit, or cause or procure to be falsely made, altered, forged, or counterfeited any food-allotment coupon or coupon similar thereto for the purpose of obtaining or receiving, or of enabling any other person to obtain or receive, directly or indirectly, from the United States or any of its officers or agents, any money or other thing of value, and whoever shall transfer or utter as true, or cause to be transferred or uttered as true, any such false, forged, altered, or counterfeited food-allotment coupon or coupon similar thereto, with intent to defraud the United States, or any mercantile establishment, banking institution, or person, shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned not more than 10 years, or both.

TITLE III—MISCELLANEOUS.

REPORTS TO CONGRESS

SEC. 301. The Director shall render, through the War Food Administrator, semiannual reports to Congress describing the operations of the food-allotment plan, including the following: Number of eligibles and participants, by the various classes of households established; the reasons for nonparticipation of eligibles; effect of the food-allotment plan on the expenditure habits of participants; extent to which the plan increases purchases of foods of various types and other kinds of

goods and services, for the various classes of households; benefits derived from the plan for the different types and groups of food sellers, wholesalers, processors, and producers; extent of improper use of food-allotment coupons; changes in relief payments, social-security payments, and other types of income of the various classes of eligibles; the amount and type of administrative expenditures incurred.

SUBSIDY PAYMENTS PROHIBITED

SEC. 302. It being the policy of Congress as provided in title I of this act to provide a national food allotment plan as a means of safeguarding the general welfare against excessive price rises and inflationary tendencies in the existing war emergency, no funds appropriated to, borrowed under congressional authorization by, or in the custody or control of, any governmental agency, including any Government-owned or controlled corporation, shall be used for subsidy or other payments with respect to the production, processing, distribution, or other handling of any agricultural commodity or any commodity processed in whole or substantial part from any agricultural commodity, including milk and livestock and the products thereof, unless the Congress shall have specifically authorized the use of such funds for such purpose.

APPROPRIATIONS AUTHORIZED

SEC. 303. The appropriation of such sums as may be necessary to carry out the provisions of this act is hereby authorized.

TERRITORIAL APPLICABILITY

SEC. 304. The provisions of this act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

SEPARABILITY PROVISION

SEC. 305. If any provision of this act or the application thereof to any person or circumstance shall be held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby.

SHORT TITLE

SEC. 306. This act may be cited as the "National Food Allotment Act."

TERMINATION OF ACT

SEC. 307. The provisions of this act, and all rules, regulations, orders, and requirements thereunder, shall terminate on June 30, 1945, or upon the date specified in a concurrent resolution by the two Houses of the Congress, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this act and such rules, regulations, orders, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

SEC. 308. There is hereby authorized to be appropriated \$500,000,000, or so much thereof as may be necessary, to carry out the provisions of this act.

Mr. AIKEN. Mr. President, I wish to say that I am quite in favor of the Bankhead bill with its limitation on subsidies, but I have felt from the beginning that the Senate would be very vulnerable if it enacted such a bill with its prohibition of subsidies without doing two things, one of which is to adopt an amendment such as we have adopted, which would provide for reimbursing farmers for any loss which they might sustain by reason of the abolition of subsidies and permit them to continue in production. In addition, I cannot vote to deprive the very poor people of our country of even the small amounts they would receive from

a general subsidy, without making every effort I can make to provide some means of insuring that they have the food they must have in order to maintain their health.

The amendment which has been offered by the Senator from Wisconsin and myself was formerly introduced as Senate bill 1331. Hearings have been held on that bill and have been completed. It is unfortunate that the printing of the hearings has been delayed for some days at the Printing Office. I do not know why the hearings have not as yet been printed and are not available today, but they are not.

However, that bill, as now submitted in the form of an amendment to the pending bill has had several days of hearings. There appeared before us representatives of farm organizations who endorsed the bill, at least in a conservative manner. Among those were representatives of the Federation of Milk Producers, of the Association of Farmer Cooperatives, and of the Grange. There also appeared before the committee, in opposition to the bill, representatives of various labor organizations, including the C. I. O. and the Brotherhood of Railroad Trainmen. I think one other labor organization also submitted a brief in opposition to the bill.

Opposition was expressed by the American Public Welfare Association, who thought the bill might interfere with its appropriations and might prevent it from obtaining larger appropriations, if the low-income people were temporarily taken care of by some other means. I also think I should say that the Social Security Board opposed the bill on the ground that it should have larger appropriations to enable it to distribute more cash among the people of the country.

Mr. President, in these days of high wages, high prices, and large profits, when money is spent freely and often recklessly, when there is competitive bidding in the black market for insufficient quantities of certain foods, we are likely to get the impression that everyone is well off. I wish this were so. I wish all persons had adequate means to support themselves comfortably; but that is not the case.

Millions of our American citizens do not have an income sufficient to enable them to maintain their health—to say nothing of living in luxury or even in comfort. Among these are 2,200,000 recipients of old-age pensions; 700,000 persons drawing old-age and survivors' insurance under the social-security program; about 1,000,000 disabled veterans drawing pensions or disability compensation, or their widows and dependent children; over 150,000 retired and disabled firemen, policemen, State and municipal employees; dependent children receiving aid through Federal and State welfare funds, to the number of 739,000; blind people to the number of 53,000; and many persons living on a fixed income too low to enable them to buy the food they need.

At the time the food-allotment bill was written, there was an indeterminate number of dependents of the 9,000,000 to

10,000,000 men in our armed forces who would have been eligible under the provisions of this plan. These have since been better provided for by the increase in servicemen's allotment, but no doubt there is still a large number who would be eligible.

I should like to call attention to the average amounts received as pensions or compensation by the veterans of our wars or their dependents:

One hundred and forty thousand veterans of the Spanish-American War average \$57.80 a month.

Four hundred and twenty-six thousand veterans of World War No. 1 are drawing \$39.02 a month, and we already have over 8,000 veterans of World War No. 2 drawing an average of \$40 a month.

The widows and children of deceased veterans of the Civil War average \$37.70 a month; of the Spanish-American War, \$30.56; of World War No. 1, \$44.11; and of World War No. 2, \$48.42.

An average of \$34.09 per month is being paid to the families of 13,449 men in the armed forces who died from service-connected disability in peacetime.

I would add to these numbers which I have stated several million low-income workers the amounts of whose pay checks have not increased during the years of the present war. These facts and figures will certainly bring home to us the realization that justice, mercy, and income are not being equitably dispensed. Rising costs of living at a rate comparable to the increased costs during other wars make the difficulties of these millions of low-income citizens more serious.

Most of the low-income people today are deserving. A few years ago chislers and small-time racketeers were to be found in considerable numbers among those requesting assistance from their Government or other sources. Today the chislers have pretty much disappeared. They would not be interested in the small-time income which this amendment would provide. I think that is one reason why the group this amendment is intended to help is so silent. They are not organized, and they cannot demand. They are patient, law-abiding, patriotic citizens who deserve earnest consideration, just as much as do the groups which are organized and speak loudly through their spokesmen.

Mr. President, at this time I should like to read excerpts from a few letters I have just received from the kind of people who would receive some assistance from the amendment, if it should be agreed to.

I read first a letter from North Carolina, written by a resident of the home town of the junior Senator from North Carolina [Mr. REYNOLDS]:

DEAR SIR: I am one of the group you are trying to help. I have six children, three in school, three at home, too small to go to school. I am receiving \$30 a month of A. D. C.

That is Aid to Dependent Children—

My husband lost his mind and is in the State asylum. I am really having a time. I hate to complain about prices, but God knows they are out of sight. I cannot feed and clothe them, and I don't want to give a one of them away. I don't want them

to steal and do the wrong thing, to survive. I am praying that God will spare you to get that bill through. I hope it will pass.

We poor people are the hardest hit. I am sure you will make a lot of people feel more like living if that food-stamp bill passes.

I will not state the names of any of the persons who wrote the letters I read at this time.

I read now a letter which comes from Utah, from the home of the senior Senator from Utah [Mr. THOMAS]:

SALT LAKE CITY, UTAH.

Senator AIKEN,
Washington, D. C.

DEAR SENATOR AIKEN: We note with some hope your suggestions for relief for those of low-income groups. Prices go up but not our income. I am an ex-physician of 70 years, and had to retire on account of ill health. Our income last year for myself and wife was under \$500. How can we live respectably on that? Who says there are no more low-income groups? I think Senators TAFT and BUSHFIELD should look around and figure this out. The plan suggested to help pay our living expenses is the first we have seen to give us any hope. After a life of 45 years of helping the sick and living well, this comes pretty hard, as you must know. They should be told of the many doctors and lawyers and other professional men in this class.

I read now an excerpt from a letter coming from a resident of New York City:

I am a retired United States customs clerk, having performed 26 years and 4 months' service in the United States Appraisers Customs Service, now at No. 201 Varick Street, New York City, first as opener and packer, then clerking for 23 years in the English cloth and manufactured clothing import duties; as to rating under various examiners—until my compulsory retirement by law as to 70 years of age, on July 5, 1939—record "Very good."

I was in the forties at my entry in the Service, and shortly after my entry the pension of Federal employees law came into effect as to \$1,200 per year, 70 years of age, 30 years' service, less 2½ percent of salary and later to 3½ percent for same.

Being not able to make the 30 years, my monthly pension check is only \$86.39 instead of \$100. The question is, How are the wife and I to get along on \$86.39 per month?

My rent is \$43 per month. We allow \$45 budget for eats—30 days at \$1.50 per day—plus \$5 per month gas and electric. These three items equal \$93. Plus doctor, medicine, and shoes, and clothing, etc. How to do it, I don't know. Dear Senator If, perhaps, you could amend the \$86.39 to the \$100 check, we would try and pull out, as my wife is very economical. There are very few who do not leave the service under 30 years' service, and as you can readily see it was no fault of mine. Please try and help us.

Here is a letter from Kodak, Tenn.:

KODAK, TENN., January 15, 1944.

Senator GEORGE D. AIKEN,
Washington, D. C.

DEAR GEORGE: I have just read in the Knoxville News Sentinel, a Scripps Howard paper, where you have introduced a stamp campaign to increase the living of low-class earners. I am 82 years old and was born on May 23, 1861. My wife—June 18, 1877. We are trying and have raised her granddaughter who is 13 years old, and am keeping her in school every day her health will permit, on the pitiful sum of \$23.90 per month we get as an old-age assistance. I have to pay \$7.50 per month for a shack that leaks and is open

as a barn. I cut wood out of fence rows and carry all the way from 100 to 3,000 yards on my shoulder to keep fires to burn. I feel that it would be a great Godsend if someone would come to our aid, and not be like some of our visitors who try to look after us and tell us we ought to live fine on \$23.90 per month. So thanking you again for your effort I beg to remain as ever,

Yours respectfully,

I shall not read anymore of these letters. There are plenty of them, for there are millions of such people all over the United States. I should like to place more such letters in the RECORD.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. Has the Senator an estimate of how many million?

Mr. AIKEN. I will come to that very shortly.

Mr. TAFT. The Senator said there were millions. I wondered how many millions.

Mr. AIKEN. Millions of people in the United States do not have enough to eat, and do not have sufficient means to keep warm.

Mr. TAFT. I am asking if there is an estimate of the number.

Mr. AIKEN. I shall come to that as soon as I can.

It has been said that the distribution of food allotment coupons would be humiliating to some of those who are forced by necessity to request them.

I presume there are those of whom this is true. I am glad that we still have proud people in our country. The fact is, however, that under the old stamp plan between 60 percent and 80 percent of those eligible made application for stamps.

The fact is that pride has not caused some of our higher income persons to decline subsidies. Everywhere all through our land wartime bonuses are being paid and there is no record of broken pride. Even the employees of the United States Government have received bonuses of \$300 and up to help out on the cost of wartime living, and I have heard no loud cries of resentment yet—not even from my own office. The people whom this amendment is designed to help are the ones who unfortunately cannot get cash bonuses or increases in salaries. A large part of them are unable to work for one reason or another. Many of them work in civilian industry which has been shut down because of the war. They live in small towns. Their income is cut off. Thousands are borderline cases who may have to call upon their local government for help in the near future. Which will humble them most—to accept a wartime bonus to help out on the cost of living as higher paid groups are being helped, or a listing in the books of public relief and charity, which they do not deserve? During the great depression I saw people living under wretched conditions and doing without proper food to keep from going on relief. Most of them, however, accepted the stamp plan.

It is the purpose of this amendment to provide equitable distribution of food in order to maintain health and pro-

ductive capacity during wartime among low-income consumers. The amendment has been generally referred to as the stamp plan. It should not, however, be confused with the old stamp plan which was used partly as a relief measure and partly as a means of utilizing surplus farm commodities.

This plan provided for in this amendment attempts to make the best possible use of the experience gained through the application of the old stamp plan and at the same time eliminate the difficulties of that plan.

I wish to make it clear that the amendment would not create any new organization for administering a food allotment plan. It would be under the direct supervision of a deputy director of the food distribution administration, but the actual application will be in the hands of existing State, local, and, in some instances, private agencies.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. TYDINGS. Under the Senator's amendment, what is the date of expiration of the plan?

Mr. AIKEN. Six months after the war. The bill as drawn carried in the preamble a statement that it could be used after the war for distribution of farm surpluses, which some of us felt would then exist. That part of the preamble, however, has been deleted.

Because of regional variations of conditions, it is advisable to have this plan administered by persons familiar with each locality. For this same reason, provision is also made for regional differences with respect to the reasonable cost of the basic food allotments.

Administrative costs are to be paid by the Federal Government and must not exceed 5 percent of the funds appropriated. The amendment sets no minimum income for determining eligibility because this amount would vary according to the variation in living costs. It does, however, require a redetermination of such costs every 6 months.

The measure of eligibility is the insufficiency of normal food expenditures of households of various sizes and income classifications to meet the cost of basic food allotment.

A basic food allotment is defined as the amount of various kinds of food per person per week representing a minimum adequate diet. I must confess that the diet as defined in paragraph (c) of section 4 of the amendment is a pretty good diet for a minimum. The diet prescribed has been worked out by the most efficient home economists. It undoubtedly smacks of idealism because it does prescribe what is supposed to be a perfect diet. It is probably a better diet than most persons enjoy today, even though they can amply afford it.

The percentage of this diet which would be given to people in distress would be entirely dependent upon the amount which the Appropriations Committee and the Congress might be willing to appropriate. We have set up in the amendment what is designed to be a perfectly balanced diet. However, I do not think any of us believe that the time will come

in the near future when everyone in the United States will be enjoying a perfect diet. However, it is a mark to shoot at. It should be our aim to see that everyone enjoys an ample, well-balanced diet, and we might as well aim for the bull's-eye in hopes that we may run up a better score than we have up to now.

The strength of a nation depends largely upon the health of its people, and health depends upon an adequate amount of the right kind of food.

The War Food Administration, which has approved this food-allotment plan in principle, has estimated that the current average cost of the basic food allotment as outlined in the amendment would be approximately \$646 a year for an average family of four persons. It appears that the average family of four, spending \$646 a year for food, should be receiving an average income of not less than \$2,350 a year.

This would vary according to the section of the country in which the people lived. The amendment is elastic enough to take care of such variations. The \$3,000,000,000 figure is the maximum amount that could be spent under this amendment if every person receiving less than \$2,500 per year for a family of four received every dollar's worth of coupons to which he might conceivably be entitled. In other words, \$3,000,000,000 would not provide a perfect diet for every person in the United States.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. There seem to be two conflicting provisions. Section 303 provides as follows:

SEC. 303. The appropriation of such sums as may be necessary to carry out the provisions of this act is hereby authorized.

Section 308 provides as follows:

SEC. 308. There is hereby authorized to be appropriated \$500,000,000, or so much thereof as may be necessary, to carry out the provisions of this act.

Mr. AIKEN. Let me say to the Senator from Ohio that this amendment in Senate bill 1331 made over. I do not doubt that there are some technical errors in it, but I do not doubt the ability of a conference committee to correct them.

Mr. TAFT. Mr. President, will the Senator further yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AIKEN. I yield.

Mr. TAFT. What I wanted to ask was whether it is intended to limit the appropriation to \$500,000,000.

Mr. AIKEN. It is intended to limit the amount of the authorization to \$500,000,000.

Mr. LA FOLLETTE. Mr. President—

Mr. AIKEN. I yield.

Mr. LA FOLLETTE. I should like to suggest to the Senator that he modify his amendment by striking out that section.

Mr. TAFT. Section 303.

Mr. LA FOLLETTE. In writing it over and offering it as an amendment, ap-

parently inadvertently that provision was left in.

Mr. AIKEN. I assure the Senator from Ohio and the Senator from Wisconsin that I gladly accept any modifications which will correct any purely technical and unintentional errors in the amendment.

The PRESIDING OFFICER. Does the Senator desire to modify his amendment?

Mr. AIKEN. Yes; I do.

The PRESIDING OFFICER. The amendment will be modified as indicated.

Mr. AIKEN. It is rather startling to learn that there are as many as 60,000,000 people in this country receiving an income at a rate less than \$2,500 per year for a family of four.

In some large areas of our country over 99 percent of the people would undoubtedly be eligible for assistance if Congress should choose this criterion. However, they certainly would not be eligible under the \$500,000,000 limitation.

It goes without saying that Congress would not, at the present time at least, use these figures as a yardstick in applying the provisions of the act. The amendment provides, however, that if sufficient funds are not appropriated to make up the full difference between normal food expenditures and the cost of the basic food allotment, the food allotment coupons may be used to supplement normal purchases in such a way as to enable participating families to buy a certain percentage of the basic amounts. A reduction in the allowance for food coupons would also mean a decrease in the number of eligible families and persons.

If we should consider that eligibility should be based on a minimum income of \$2,500 for a family of 4, we would find that 60,000,000 people would be eligible to receive food-allotment coupons to some degree. If every one of these—both families and single individuals—took advantage of their eligibility and received the fullest amount of coupons that could be allotted, the total cost is estimated to be \$3,000,000,000.

Assume that the Congress decides to allow only 90 percent of the full basic diet, which would probably still be as good as or better than that enjoyed by the members of this body. The number of persons eligible would drop from 60,000,000 to 50,000,000, while the cost would drop from \$3,000,000,000 down to \$2,300,000,000, still assuming there would be 100 percent participation by all eligibles. But it is not likely that, even though authorized, the Congress would even appropriate for 90 percent of a full basic diet. It is more likely that a figure of 60 percent would be chosen, in which case the number of persons eligible would drop to 22,800,000 and the total cost would be about \$600,000,000 if everyone eligible participated fully.

However, experience has shown that when the stamp plan was in effect, only 60 to 80 percent of the low-income people took advantage of it.

Assuming that 70 percent of those eligible take advantage of this food-allot-

ment program and receive coupons to enable them to enjoy a 60-percent diet, the total cost would amount to \$420,000,000. This amount would substantially raise the living standards of 16,000,000 of our lowest income people and protect them against actual want.

These 16,000,000 people are the ones who are in real need and should have their meager income supplemented in order to maintain their health and efficiency and a reasonable degree of security and happiness. These are the people who average \$1,100 a year or less for a family of four.

If we wish to go down still further and subsidize only to the amount of 50 percent of the basic diet, we would find that 19,600,000 persons eligible could be taken care of at a cost of \$389,000,000 if all participated or \$282,000,000 if 70 percent participated.

It is obvious that the really low income group of our country could be raised from a state of want, though not to a state of luxury, by any means, for approximately \$400,000,000 a year.

This amendment is not a relief measure, and it will not relieve States, counties, or municipalities of the duties with which they are now charged.

One of the witnesses before the committee testified that persons of low income should call on their local welfare agencies when they are in need. I advised him that it was the purpose of this bill to keep such persons from having to call on their local welfare agencies because a large percentage of them are not to blame for their present situation and should not be humiliated by being obliged to go "on the town," as we say in New England.

Section 9 of the amendment reads as follows:

SEC. 9. No moneys herein or hereafter appropriated for the purposes of this act shall be expended in lieu of Federal, State, or local expenditures customarily made for the direct benefit of households within the income groups found eligible to receive food-allotment coupons. Present standards for the payment, and payments, of social-security and other types of assistance shall not be made less favorable to the recipients or applicants for such assistance, by reason of the operation of the food-allotment plan.

The purpose of this section is clearly to prevent local governments from unloading their own responsibilities onto the Federal Government, and to prevent them from cutting down the allowances they are now making to old-age-assistance recipients or others.

Under section 10 the director is charged with designating appropriate State, local, and private agencies and ration boards to carry out the provisions of the act. Only in case that the director finds upon investigation that appropriate State, local, and private agencies are not available he may establish local offices and employ suitable personnel to receive applications, to determine eligibility, and certify eligibles. Provision for the use of private agencies and for the establishment of federally employed personnel in local offices is made to cover the remote contingency

that local or State agencies might not be available in some localities.

It is the expectation, Mr. President, that if this program should be adopted, wherever possible the local ration board would be the agency to certify persons for the supplementary income in the form of food-allotment coupons.

It is not expected that setting up the machinery for the administration of the food-allotment plan would be difficult. The actual work of certifying families would rest almost wholly with local boards. The part which the Federal Government played in the administration of the old stamp plan was neither difficult nor expensive. There is no reason to believe that the administration of the plan contemplated by this amendment would be much more so.

Mr. President, I am covering the ground as fast as I can, because I realize that it is growing late. I want to get through with this bill tonight just as much as does any other Senator. However, I do not want to get through with it until I have had a chance to go on record in regard to this amendment, and secure its adoption, if possible.

The deputy director of the food distribution administration would issue coupons on the certification of the local board. These coupons would be used for the purchase of food only through the normal channels of trade.

The reason for that is that we do not want to provide for setting up Government stores for the distribution of food through this amendment or this food-allotment plan. In the amendment itself it is provided—

The Director shall provide by regulation a simple method for the registration of mercantile establishments selling food and food products at wholesale or retail, which desire to be authorized to receive food-allotment coupons in exchange for food and food products. Such registration shall constitute authority so to receive food-allotment coupons.

In other words, all food purchased with these coupons will be purchased through the normal channels of trade.

The director is authorized to provide for redemption of food-allotment coupons exchanged for food and food products through the cooperation of the Treasury Department, the General Accounting Office, and banking institutions throughout the Nation. He shall designate banking institutions to accept coupons from sellers of food at retail and wholesale. The amendment provides that banking institutions so serving shall be paid reasonable expenses incurred in such capacity.

Section 203 provides for an educational program as a part of the food-allotment plan. Experience has shown that low-income housewives are, for the most part, anxious to make every penny do as much as possible, and welcome any information which will enable them to improve their buying habits, food utilization techniques, and food-preservation methods.

It is not intended that any new agency shall undertake any additional program, but that the food distribution administration shall cooperate with home dem-

onstration agents and other existing agencies in the program.

Mr. BONE. Mr. President, if I may take a short cut to the Senator's argument, would about the same technique be employed under his proposal as was employed under the food-stamp operation before?

Mr. AIKEN. The same technique would be employed, and I have had very extensive consultation with those who administered the old food-stamp plan, and they think they have taken the "bugs" out of it, as faults are called in agency parlance.

Mr. BONE. I know that when that plan was in operation before, it proved to be very popular, at least in my section of the country, and very acceptable. I am much interested in the Senator's argument.

Mr. AIKEN. Some faults were developed in the old food stamp program. I do not think they ever came to the attention of the public, and we have attempted to remove them by the amendment. However, I dare say some will still remain, and others may develop as time goes on.

Section 302 of the amendment, under the subtitle of "Subsidy Payments Prohibited," has stirred objection on the part of some who might favor the rest of it. Perhaps "controlled" would be a better word than "prohibited." Such a change would be perfectly acceptable to me.

However, if one reads this section through, he will find that the only subsidies prohibited are those which have not been authorized by the Congress. The whole subsidy controversy is based upon a difference in the interpretation of the wording of the Price Control Act.

Certainly, no one believing in Government by the people can argue that executive agencies should be permitted to violate acts of the Congress any more than individual citizens should be permitted to. A Government should have an exemplary standing before its people. It is to be presumed that in the near future Congress will definitely specify the subsidies which it deems to have been authorized.

It is clear that in these days, when a large part of our population has adequate, if not excessive, purchasing power, and the Government is asking for more and more taxes in an effort to avoid inflation and finance expenditures, no one can consistently advocate any form of subsidy which adds appreciably to the already excessive purchasing power of at least half of our citizens.

A direct subsidy to those who really need it will, to a large extent, nullify the arguments of those who insist that all persons should have subsidized food. Not a dollar authorized by this amendment would contribute to inflation, because the people eligible would have no excessive purchasing power under its provisions.

We cannot estimate the value received from this food-allotment plan in terms of dollars and cents alone. By assuring millions of our people enough to eat, we will be insuring many of them against

the ravages of disease. We will keep an indeterminate number of them from calling upon their civic governments for relief. We will maintain or improve the efficiency of those who through part-time employment or otherwise are contributing materially to the war effort.

We cannot put a dollar-and-cents value upon the eyesight or the health of children now growing up in these borderline families. The money spent under the provisions of this plan might be returned to our country many times over in dividends of health and efficiency.

Mr. President, I have given a general rather than a technical description of the food-allotment plan which the Senator from Wisconsin and I propose. I reiterate what I stated at the beginning, I know it is not a perfect plan. As I said, we have tried to profit from the experience gained in applying the old stamp plan, and even though our plan is not perfect, I believe it is better than any other plan which has yet been presented for taking care of those who actually need assistance. We have taken care of every member of our own office forces, \$300 or more being given to each, and they have not been humiliated by it. I do not believe those who receive a little help from their Government during this period are going to be more humiliated than they would be by going to local relief authorities and asking for help.

The amendment provides, in section 307, that the provisions of the proposed law and all rules, regulations, orders, and requirements thereunder shall terminate on June 30, 1945, or upon the date specified in a concurrent resolution by the two Houses of the Congress. It is proposed as a temporary act, but it is my hope that a year's experience with this plan, during which time I surely expect faults to become apparent, will provide us with such further experience and information that we may well make it the basis of a sound program which in the future will insure to each and every citizen of our Nation a diet which will enable him to maintain his health and efficiency in such a manner that he will be of the fullest value to society.

Mr. President, it has been said, and I read in the newspaper this morning, that the President would surely veto the Bankhead bill. I presume the assertion, which is credited to our revered majority leader, is probably correct, but vetoing the Bankhead bill as now written and vetoing the Bankhead bill with this amendment in it would be two entirely different things. I have many times disagreed with the President. I have certainly not been one of his advisers; I have sometimes suspected his motives, and I believe him to be a very shrewd politician, at least up to this time, but I do not believe he is cruel enough to veto any bill which we send him which provides that 15,000,000 or 18,000,000 people in need and distress in this country shall have enough to eat.

Mr. LA FOLLETTE. Mr. President, before the Senator from Vermont takes his seat I should like to have it clear in the RECORD that the amendment now

proposed and the bill which we joined in introducing are different in that the amendment provides a very much more restricted operation of the plan, both so far as income levels are concerned, and insofar as the assistance which individuals could receive from it are concerned.

I fear that perhaps from some of the Senator's statements with regard to the original bill, which, frankly, we expected the committee to curtail and pare down, the impression might be left that we were now offering as an amendment the full scope of the original bill. Such is not the case, and I wanted that to appear definitely of record, so that Senators would not be under any misapprehension as to what they would be called upon to vote on, especially those Senators who are not present, and who may read the RECORD. In other words, the pending proposal is limited to \$500,000,000, and under a \$500,000,000 program, depending of course on the percentage applying for assistance, and assuming an experience under this plan similar to that we had under the last stamp plan, it would not be possible to extend assistance to families who are receiving incomes in excess of \$1,200.

I wanted that point to be made clear because I think, perhaps, the impression might have been created by the Senator's statement with regard to the original bill that the amendment applied to families with incomes of \$2,350 or less.

Mr. AIKEN. The Senator is entirely correct in his statement. The \$500,000,000 limitation probably will not permit any extension of the benefits to families of four, having an income of more than \$1,200 or probably \$1,250 a year. Further than that, before even that assistance could be granted the matter would have to come before the Congress again, be submitted to the Appropriations Committees, and they might cut it down even below that figure, although I should hope they would not, because I think the poor people of the country need \$500,000,000 worth of help. But if we are to give 15 percent of our people \$500,000,000 in benefits through a general subsidy program, we would have to spend three and a half to four billion dollars to give them the same kind of help we can give them through a food allotment plan for only \$500,000,000.

Mr. BARKLEY. Mr. President, I had been hoping that we might finish action on the bill today, but in view of the amendment offered by the Senator from Vermont it is obvious that we cannot do so. I am anxious that we conclude action on the measure as early tomorrow as possible, and to that end I shall propose a unanimous-consent request. I understand the Senator from Wisconsin desires to address the Senate tomorrow on the amendment for a little longer than the time limit I had in mind. Therefore I ask unanimous consent that the Senator from Wisconsin be recognized at the beginning of tomorrow's session, and that following his address no Senator shall speak more than once nor longer than 20 minutes on the bill, or any amendment or any motion pertaining thereto until final action is taken.

Mr. PEPPER. Mr. President, reserving the right to object, I think the agree-

ment will be satisfactory to me, but I have three amendments which I propose to offer, and have printed and lie on the table. Of course, a Senator can take time on the bill and on amendments.

Mr. BARKLEY. Yes, but a Senator cannot speak on the bill three times. He can take 20 minutes on any of the amendments, and 20 minutes on the bill. Under the agreement the Senator would not be permitted to speak more than once on the bill. I hope the Senator from Florida will not object to the proposal.

Mr. PEPPER. I shall not object, Mr. President.

Mr. WHITE. Mr. President, I share the desire of the leader of the majority that there may be a conclusion reached with respect to this measure, and I express hope that the unanimous-consent request which the Senator has proffered may be agreed to.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. CLARK of Missouri. Mr. President, I desire to give notice that at the proper time, before the passage of the pending measure, I intend to move to strike out the subsidies authorized by the so-called Bankhead bill. I am opposed to all subsidies, and intend to move to strike out the favored subsidies authorized and covered by the Bankhead bill.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of Ewell K. Jett, of Maryland, to be a member for the term of 7 years from July 1, 1943.

Mr. WHITE. Mr. President, I am personally in favor of the confirmation of this nomination, but there are Members on this side who might want to say something about it. I therefore ask that the nomination be passed over.

The PRESIDING OFFICER. The nomination will be passed over.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the foreign service.

Mr. BARKLEY. Mr. President, these are automatic promotions. I ask that the nominations in the foreign service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the foreign-service nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE NAVY

The legislative clerk read the nomination of Rear Admiral Randall Jacobs, to be vice admiral in the Navy, for temporary service, while serving as Chief of Navy Personnel in the Department of the Navy, to rank from February 1, 1944.

Mr. WALSH of Massachusetts. I ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Medical Director Ross T. McIntire, to be vice admiral in the Navy, for temporary service, while serving as Surgeon General and Chief of the Bureau of Medicine and Surgery in the Department of the Navy, to rank from February 1, 1944.

Mr. WALSH of Massachusetts. I ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Civil Engineer Ben Moreell, to be vice admiral in the Navy, for temporary service, while serving as Chief of the Bureau of Yards and Docks in the Department of the Navy, to rank from February 1, 1944.

Mr. WALSH of Massachusetts. I ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 16 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 11, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 10 (legislative day of February 7), 1944:

COMMISSIONER OF INTERNAL REVENUE

Joseph D. Nunan, Jr., of Douglaston, N. Y., to be Commissioner of Internal Revenue, in place of Robert E. Hannegan, resigned.

IN THE NAVY

Vice Admiral Raymond A. Spruance, United States Navy, to be an admiral in the Navy, for temporary service, to rank from the 4th day of February 1944.

Rear Admiral Richmond K. Turner, United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 4th day of February 1944.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Annie L. Bell, Slocumb, Ala., in place of Walter A. Blount, transferred.

William Harry Tillery, Vinemont, Ala., in place of Maurice W. Holmes, transferred.

CALIFORNIA

George S. Clarke, Grossmont, Calif. Office became Presidential July 1, 1943.

Alfred S. Rusconi, San Joaquin, Calif. Office became Presidential July 1, 1943.

Ruth P. Wilson, Spring Valley, Calif. Office became Presidential July 1, 1943.

COLORADO

Maggie Jacobsen, Naturita, Colo. Office became Presidential July 1, 1943.

Edna A. Kennedy, Peetz, Colo. Office became Presidential July 1, 1943.

Alice J. Reed, Sanford, Colo. Office became Presidential July 1, 1943.

Merrill D. Harshman, Wiggins, Colo. Office became Presidential July 1, 1943.

GEORGIA

Melcena Royal, Ambrose, Ga. Office became Presidential July 1, 1943.

Floyd L. Crawford, Appling, Ga. Office became Presidential July 1, 1943.

Billy S. Hickman, Colbert, Ga. Office became Presidential July 1, 1943.

Cleone M. Fincher, Culloden, Ga. Office became Presidential July 1, 1943.

IOWA

Ambrose J. Leinhauser, Agency, Iowa. Office became Presidential July 1, 1943.

Ruth Longenecker, Aurora, Iowa. Office became Presidential July 1, 1943.

Earl T. Van Metre, Clemons, Iowa. Office became Presidential July 1, 1943.

Hannah Nelson, Stratford, Iowa, in place of Hilma L. Peterson. Incumbent's commission expired April 15, 1942.

KANSAS

Martin A. Basgall, Hays, Kans., in place of Joseph B. Basgall. Incumbent's commission expired June 23, 1942.

KENTUCKY

Mary M. Stahr, Hickman, Ky., in place of Henry L. Amberg, deceased.

LOUISIANA

Charles R. Duplex, Youngsville, La. Office became Presidential July 1, 1943.

MASSACHUSETTS

Josephine M. Welsh, Sudbury, Mass. Office became Presidential July 1, 1943.

Elizabeth C. Kelley, Thorndike, Mass. Office became Presidential July 1, 1943.

MINNESOTA

Agatha M. Gertken, St. Joseph, Minn., in place of John V. Schroeder, resigned.

MISSOURI

Lloyd Sapp, Ashland, Mo. Office became Presidential July 1, 1943.

Eugene W. Kurtz, Wyaconda, Mo., in place of Mabel Smulling, resigned.

NEW HAMPSHIRE

Iona A. Jenness, Rye, N. H. Office became Presidential July 1, 1943.

NEW YORK

Irene Bruno Amele, East Williamson, N. Y. Office became Presidential July 1, 1943.

Beulah Meier, Holtsville, N. Y. Office became Presidential July 1, 1942.

NORTH CAROLINA

Elizabeth P. Bailey, Advance, N. C. Office became Presidential July 1, 1943.

Lawrence G. Garvin, Avondale, N. C. Office became Presidential July 1, 1943.

Manning B. Mahafee, Caroleen, N. C. Office became Presidential April 1, 1943.

Albert K. Dickens, Castalia, N. C. Office became Presidential July 1, 1943.

Edelweiss Mishoe, Castle Hayne, N. C. Office became Presidential July 1, 1943.

Thomas G. Long, East Rockingham, N. C. Office became Presidential July 1, 1943.

Marguerite M. Wells, Henrietta, N. C. Office became Presidential July 1, 1943.

Zora Leah Thomas, Hiddenite, N. C. Office became Presidential July 1, 1943.

Ruth B. Hickey, Hiwassee Dam, N. C. Office became Presidential July 1, 1943.

Grace Pugh, Hudson, N. C. Office became Presidential July 1, 1943.

Marlon H. Current, Leicester, N. C. Office became Presidential July 1, 1943.

Margaret L. Rourk, Leland, N. C. Office became Presidential July 1, 1943.

Lossie S. Campbell, Lucama, N. C. Office became Presidential July 1, 1943.

Arthur Lee Nicholson, Macon, N. C., in place of Lula G. Harris, retired.

Annie F. Briscoe, Mill Spring, N. C. Office became Presidential July 1, 1943.

Elma B. Harris, Mooresboro, N. C. Office became Presidential July 1, 1943.

Bessie C. Cox, Newton Grove, N. C. Office became Presidential July 1, 1943.

Samuel P. Covington, Pinnacle, N. C. Office became Presidential July 1, 1943.

Lawrence V. Sigmon, Rosman, N. C. Office became Presidential July 1, 1943.

Sue C. Worsham, Ruffin, N. C. Office became Presidential July 1, 1943.

McLain L. Furr, Stanfield, N. C. Office became Presidential July 1, 1943.

Hardee C. Butler, Tuxedo, N. C. Office became Presidential July 1, 1943.

Maggie S. Cooley, Wagram, N. C. Office became Presidential July 1, 1943.

Eva Walker, Walkertown, N. C. Office became Presidential July 1, 1943.

NORTH DAKOTA

Noble O. Julson, Plaza, N. Dak., in place of John C. Black, deceased.

OHIO

Ella B. Morgan, Fairpoint, Ohio. Office became Presidential July 1, 1943.

Neil E. Smith, Noble, Ohio. Office became Presidential July 1, 1943.

OKLAHOMA

Elijah E. Meggs, Fort Towson, Okla., in place of Carrie M. Wynn, resigned.

PENNSYLVANIA

Albert R. Hinkle, Clearfield, Pa., in place of Seth W. Bloom, deceased.

Hazle Houseberg, East Bangor, Pa. Office became Presidential July 1, 1943.

Amelia Teucheri, Milmont Park, Pa. Office became Presidential July 1, 1943.

A. Blanche McClain, Picture Rocks, Pa. Office became Presidential July 1, 1943.

George Ed. Reed, Vanderblit, Pa., in place of George Ed. Reed, transferred.

TENNESSEE

Curtis W. Younger, Atwood, Tenn. Office became Presidential July 1, 1943.

Katie Potts, Bon Aqua, Tenn. Office became Presidential July 1, 1943.

Glennie K. Harrison, Cosby, Tenn. Office became Presidential July 1, 1943.

Hollis K. Stephenson, Eagleville, Tenn. Office became Presidential July 1, 1943.

Shafter E. Kidwell, Mohawk, Tenn. Office became Presidential July 1, 1943.

James T. McCabe, Richard City, Tenn. Office became Presidential July 1, 1943.

Edith D. Hill, Shouns, Tenn. Office became Presidential July 1, 1943.

TEXAS

Leta McElligott, Bells, Tex., in place of Daniel T. McElligott, deceased.

Andrew R. Davis, Brackettville, Tex., in place of Edith M. Bursey, removed.

John A. Leinweker, Ingram, Tex. Office became Presidential July 1, 1943.

Sislie Curtis, Larue, Tex. Office became Presidential July 1, 1943.

Sallye Godbold, Leakey, Tex. Office became Presidential July 1, 1943.

Lura E. Seale, Lolita, Tex. Office became Presidential July 1, 1943.

Wayland B. Weatherred, Pampa, Tex., in place of Curry H. Walker, retired.

Albert W. Mosley, Purdon, Tex. Office became Presidential July 1, 1943.

VERMONT

Harleigh A. Somers, Barnet, Vt. Office became Presidential July 1, 1943.

VIRGINIA

Jippie S. Yeatts, Hurt, Va. Office became Presidential July 1, 1943.

WEST VIRGINIA

Jesse C. Garlow, Maidsville, W. Va. Office became Presidential July 1, 1943.

Icle O. Anderson, Watson, W. Va. Office became Presidential July 1, 1943.

John C. Coleman, Wilcoe, W. Va. Office became Presidential July 1, 1943.

WYOMING

Andrew Lee Johnson, Jackson, Wyo., in place of Robert B. Landfair, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 10 (legislative day of February 7), 1944:

FOREIGN SERVICE

To be a consul of the United States of America

Leslie W. Johnson

PROMOTIONS

To be Foreign Service officers of class 2, of the United States of America, effective November 16, 1943

Don C. Bliss, Jr.	Alfred T. Nester
Walter J. Donnelly	Albert F. Nufer
William R. Langdon	

To be Foreign Service officers of class 3, of the United States of America, effective November 16, 1943

Donald F. Bigelow	Renwick S. McNiece
David McK. Key	Warwick Perkins
Marcel E. Malige	J. Bartlett Richards

To be Foreign Service officers of class 4, of the United States of America, effective November 16, 1943

H. Merrell Benninghoff	C. Paul Fletcher
Gilson G. Blake	Winthrop S. Greene
Joseph F. Burt	William M. Gwynn
Reginald S. Castleman	Eugene M. Hinkle
Vinton Chapin	Clarence E. Macy
Prescott Childs	E. Talbot Smith
Charles H. Derry	Francis H. Styles

To be Foreign Service officers of class 5, of the United States of America, effective November 16, 1943

Sidney A. Belovsky	Cloyce K. Huston
Cavendish W. Cannon	Perry N. Jester
Augustus S. Chase	Kenneth C. Krentz
William P. Cochran, Jr.	J. Hall Paxton
Gerald A. Drew	Guy W. Ray
Monroe B. Hall	Walter N. Walmsley, Jr.
	Robert S. Ward

To be Foreign Service officers of class 6, of the United States of America, effective November 16, 1943

Walworth Barbour	Max Waldo Bishop
Jacob D. Beam	William E. Flournoy, Jr.
Barry T. Benson	

256.
11.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 12, 1944, for actions of Friday, February 11)

(For staff of the Department only)

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SENATE

1. COMMODITY CREDIT; SUBSIDIES. Passed, 43-28, with amendments H.R. 3477, the CCC bill (pp. 1592-1630).

Agreed to Sen. Reed's (Kans.) amendment exempting from the anti-subsidy provision transactions regarding wheat flour for export (pp. 1619-24).

Rejected the following amendments: By Sen. Aiken (Vt.), 29-46, to provide a food-allotment plan (pp. 1592-1619); by Sen. Pepper (Fla.), 12-57, to direct the President to issue wage increases up to 18% instead of 15% "to compensate... for the 3 percent we added to the cost of living here in the Senate" by prohibiting subsidies (pp. 1624-5); by Sen. Pepper (Fla.) to permit wage increases to subsistence level without having to obtain permission of WLB (p. 1625); by Sen. Pepper (Fla.) to provide increased Federal pensions, including Federal-employees' retirement benefits (pp. 1625-7); and by Sen. Clark (Mo.), 17-53, to prohibit subsidies "for any purpose whatever" (pp. 1627-8).

Sens. Aiken, Vt., and La Follette, Wis., discussed and inserted their food-allotment amendment (pp. 1592-4, 1616-8) and with Sens. Ellender, La., and Bankhead, Ala., discussed the effects of regional differentials and allotments under this plan (pp. 1594-6). Sen. La Follette inserted WFA's report on this bill (p. 1597) and the cost-of-living food index for 1943 (p. 1601). Sen. Aiken inserted BAE's program-cost estimate (p. 1598). Sen. Bushfield, S. Dak., inserted his radio address opposing subsidies and quoting ODT's claim that "food is being hoarded and wasted" by WFA (pp. 1605-9). Sen. Nye, N. Dak., criticized "too much government" in the administration of the stabilization program (p. 1612-5). Sen. Vandenberg, Mich., inserted a statement opposing consumer subsidies (pp. 1628-9).

2. FLOOD CONTROL. Agreed to Sen. Overton's (La.) request to print the U. S. Army's report on the Beouf and Tensas Rivers and Bayou Macon, Ark. and La. (S. Doc. 151) (p. 1589).

3. POST-WAR PLANNING; SURPLUS PROPERTY. Sen. Hatch, N. Mex., inserted Vice President Wallace's address, "America Can Get It," in which he discussed a number of post-war problems including the disposal of surplus machinery (pp. 1590-92).

4. LEND-LEASE. Sen. Wheeler, Mont., inserted an article, "Lend-Lease Started War" (pp. 1630-31).

5. FOREIGN RELIEF. Sen. Connally, Tex., announced that the Foreign Relations Committee would begin its consideration of H. J. Res. 192, to enable the U. S. to participate in the work of UNRRA on Mon., Feb. 14 (p. 1631).

6. ADJOURNED until Tues., Feb. 15 (p. 1632). Majority Leader Barkley announced that on Tues., Feb. 15, the calendar will be called and "Outside of that next week, the only definite legislative business... is the... UNRRA... resolution" (p. 1630).

HOUSE

NOT IN SESSION.. Next meeting Mon., Feb. 14.

BILL INTRODUCED

7. PURCHASING. By Sen. Murray, Mont., S. 1718, to provide for the settlement of
claims arising from termination of war contracts. To Military Affairs Committee
Text of bill (pp. 1584-9). Remarks of author (pp. A739-40).

ITEMS IN APPENDIX

8. SOCIAL SECURITY. Sen. Wagner, N.Y., inserted Sen. Murray's (Mont.) address fa-
 voring his S. 1161, to expand the social security system (pp. A735-7).
9. FOOD PRODUCTION. Sen. Guffey, Pa., inserted a York Gazette and Daily article
 criticizing Louis Bromfield's prediction of a famine this Feb. (p. A737).
10. LATIN AMERICA; RUBBER. Sen. Butler, Nebr., inserted an Omaha World-Herald article
 "United States Pact on Rubber 'Failure'--New Contract Reveals Flop of Boondog-
 gle; Brazil Takes Over" (p. A742).

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For supplemental information and copies of legislative material referred to, call
 Ext. 4654, or send to Room 112 Adm. Building. Arrangements may be made to be kept
 advised of developments on any particular bill.

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ITEMS IN FEDERAL REGISTER Feb. 11, 1944

11. FARM LOANS. Farm Security's designation of Ind. localities for loans (p. 1623).
12. TAXATION. BIR's miscellaneous amendments to income-tax regulations (pp. 1611-2).
13. PRICE CONTROL. OPA's orders for corn starch, fluid milk, and tea.
14. PRIORITIES. WPB's orders for chemicals, controlled materials, insect screen
 cloth, luggage, scales, scheduled products, and unclassified products.

chine tools and machinery for big construction jobs. These industries did a marvelous job preparing us for a magnificent war effort. Their services will be needed all over the world—in China, Russia, India, all Latin America, and Africa, and in the United States, building flood control, irrigation and power projects, building roads, and equipping factories. At the end of the war we shall have a tremendous surplus of these goods and services. The whole world has a great hunger for them. The question is to discover some sound method by which the world can pay for them. Our young men shall open undreamed-of frontiers which will unleash tremendous purchasing power to keep the world economy revolving for a half a century. But these dreams will not come true unless the world can discover some practical method of paying the United States. The basic method of payment is, of course, through goods. If we keep our people fully employed, we shall require fully twice as much in the way of imports in 1949 as in 1929 in order to keep our factories running. Furthermore, from the standpoint of national security we must purchase certain strategic materials. The United States must build up large permanent stock piles of those materials of which this country has been proved to be short in time of war, and which can be preserved without loss. Mr. William Batt, of the War Production Board developed this idea in a very interesting way in a recent speech of his in Chicago. Such stock piling as outlined by Mr. Batt need not concern domestic producers of these materials because Congress would hold the key until it had declared an acute emergency.

Russia wants machine tools. All right, let Russia pay in terms of manganese and platinum, of which she has a surplus. China wants an irrigation system. She has more tungsten than she needs for her own use. Let her pay in terms of tungsten. Persia wants a power project. She can pay in terms of oil, which we can store in underground reservoirs. Chile wants to build some airports. Let her send us copper and nitrates. There are at least 20 strategic materials of which we are seriously short in the United States as a result of our tremendous war effort. One of the best ways to make sure that there will not be another war is to build up in all the peaceful countries of the world such large supplies of the materials of which each is short that no friendly nation anywhere in the world will ever be caught helpless by sudden attack. The manganese, the copper, tungsten, platinum, oil, etc., will be of great value to us in terms of security and real wealth. The export of these machine tools, equipment, and construction services will greatly increase the wealth and production power of friendly nations all over the world. If this is properly done, the result will be in 15 years to draw the world together by highway and airway so that every man in truth will be the brother of every other man. We shall appreciate economic interdependence as we never have before. We shall know that a prosperous Asia helps to make America prosperous. We shall know that the prosperity of the poorest is of great significance to the most well-to-do. It has to be that way in an economy of abundance. It is only in an economy of scarcity that the few can sit on top and scorn the misery of those below.

After the last war several groups of hard-headed businessmen decided that they would make profits for themselves without regard to harmonizing their individual activities with the needs of our foreign economic policy. One group did its best to expand its sales of goods and services to the world. They made money. Another group loaned money to foreigners and sold bonds to the Americans. They made money. The bonds sold by the second group furnished the money which paid for the goods sold by the first

group. Europe got the goods and the services without paying us what she should have paid for the simple reason that we made it impossible for Europe to pay in the only way she could pay. Because Europe couldn't pay, the unsuspecting investor in the United States got bonds that often turned out to be worthless. The hard-headed businessmen made their profit but they helped destroy the general welfare not only of the United States but of the entire world.

The same type of so-called hard-headed businessmen will exist after this World War as after the First World War. Some of them will have the same kind of unsound finance to sell. We must not let them lead the world astray again. We must not let such men lead us headlong toward another world-wide depression and World War No. 3. The best brake on such men will come from other businessmen who see the world picture more clearly. Such men will help this country to rise to abundant prosperity and in that way will give other countries a greater chance to sell their goods to us. The trading of the United States goods and services for huge stock piles which can be unlocked in times of national emergency is one way of making sure that we get paid for our exports. Another way is to encourage tourist travel.

The furnishing of our goods, services, and engineers for the building of great construction jobs all over the world is only a small part of our task of making full employment here in the United States. The big job is to supply a standard of living to the 135 million people in the United States which is at least 40 percent higher than it ever was prior to the war. That's the greatest single contribution we can make to greater foreign trade. We must have no business booms, no business busts.

We want efficient planning but without regimentation. Our chief need is the green and red light kind of regulation. We want carefully designed rules of the road which will not block traffic but release it.

In order to get full employment, together with the maximum of free enterprise and profits for the many instead of the few, it will be necessary after the war to use our taxation system for economic objectives much more skillfully than we have in the past. There is just one basis for judgment of our taxation in the post-war period and that is, "Will this system of taxation over a period of years give us the full employment of people producing the kinds of things which the people of the United States most need and want?"

Undoubtedly we shall have to continue with heavy, steeply graduated taxes on personal incomes after the war. But in the case of corporations it would seem to be wise policy to tax in such a way as to force corporate reserves either into the building of plant and equipment or into distribution as dividends. Huge corporate reserves, beyond legitimate business needs, which are held out of use are subtracted from the purchasing power of the Nation. In a time of unemployment each billion dollars stored up as savings means at least half a million men unemployed for a year. Unemployed men mean less goods produced and a smaller market. By our taxation system we must encourage the small and rapidly growing enterprise because such enterprises are the seedbed of the employment of the future. But corporations which have lived far beyond the life of the founding father and which have huge corporate reserves and which no longer expand, represent the dead hand of the past. They should be prodded awake by the right kind of taxation system so that they will find incentive for putting their money to work instead of letting it lie idle.

To get full utilization of all resources for the benefit of all the people the most important single economic readjustment is to do away with internal trade barriers. I am

referring to those monopolistic practices on the part of some manufacturers, bankers, labor unions, doctors, and farm organizations which serve their own welfare without regard to the welfare of the unorganized. I don't say that each member of each of these groups deliberately practices scarcity economics. But enough of them do it so there is continually sand in the bearings of the economic machine. There is enough sand so that 10,000,000 families are continually living in poorhouses with inadequate clothing, without enough to eat. Except in time of war, 10,000,000 families, whether living on the land or in the city, are given an opportunity to produce only about one-tenth as much as their more fortunate fellows. The war has demonstrated what they can do for themselves, and for the entire Nation, provided only these families are given an opportunity to work without the continuous imposition of bottlenecking controls.

It is not necessary to break up the big organizations which have deliberately produced bottlenecks. But it is necessary that in time of peace there be created a moral climate, backed up by a big stick in the Department of Justice, to convince every monopoly group that in the future its welfare can be served only by that all-out production which serves the welfare of all.

Everyone must recognize that it is sound government policy, even in terms of the large monopolistic groups themselves, for government to stimulate the economic activity of the weak on behalf of abundance economics while restraining the economic freedom of the strong to practice scarcity for temporary self profit. There is a growing and vigorous support for this position within industry itself.

The experience of Russia during the past 10 years and in the United States during the past 2 years has demonstrated what a tremendous job of production can be done once the monopolistic bottlenecks are effectively broken. In the investment of money, in determining volume of output, in setting prices, in bargaining for wages and hours of labor, the decision made must be the one which best promotes full employment, full production, and full consumption.

The leaders of the respective groups must become experts in determining how the activities of any particular group are affected by the public good and how they affect the public good. When the respective pressure groups are led by men who know that the size of the whole pie is more important than the size of the slice they want for themselves, our fear of bread lines and soup kitchens will be largely over. Then every worker in the United States will have the creative satisfaction of doing his part in helping the common cause.

In many other parts of the world there is a small land-owning military clique composing 1 percent of the population sitting on top of the pile, exploiting the rest of the population, part of whom are workers and part farmers. The task of the century of the common man is to bring these oppressed people into the market. As their productivity and consumptive power are gradually increased, they will within a few years create for the post-war world new frontiers of unimagined richness—new frontiers of peaceful abundance. It is up to us in the United States to demonstrate by our own example the tremendous productivity and happiness of a general welfare economy. Latin-America will follow our example faster than we think, and as she follows it her economy will benefit ours and our economy will benefit hers. Our good neighbor policy should make it possible for Latin-American countries to get the good points in our experience and to avoid such mistakes as we have made. Speaking here in Seattle, I may say the same applies to

our relations with China and Siberia. Here at the port which is the closest of all American ports to the Far East, it is important to mention that general welfare economics and modern technology will make the Far East a market of such vast proportions that eventually there will be more trade across the Pacific Ocean than there once was across the Atlantic. Private enterprise is dependent upon these broadening markets for its very survival.

The political aspect of getting full utilization of all our powers is more important in some ways even than the economic. By politics I mean the mechanism whereby the people, themselves, thinking in terms of the needs and the welfare of all of the people, make clear their will to the State legislatures and to Congress so that the lawmakers will serve the people more than they do the high-pressure groups which are continually selling the people down the river. The people, standing for just one thing, namely, "the maximum use of all our resources in the service of the general welfare," must guide Congress to stand for that objective at all times and to resist all pressure groups except the one big pressure group—the general welfare pressure group. In action this means that constituents will have the good sense to reelect Congressmen more for their national statesmanship than for their service to their local groups which are a minority even in the particular congressional district.

The general welfare pressure group must believe in democratic planning and must engage in it at the precinct level, the county level, the state level, the regional level. Wall Street and the Wall Street stooges say that such planning is un-American. I say that it is only by such planning that we can preserve and further develop the American way of life. It is only by such planning that we can prevent American fascists from taking us over. When I refer to American fascists I mean those who believe that Wall Street comes first and the country second and who are willing to go to any length through press, radio, and demagog to keep Wall Street safely sitting on top of the country. American fascists at this very moment are desperately striving to control the delegates to the county conventions so that they may in turn control the delegates to the State and National conventions of both parties.

Operating on the precinct level, the people thoroughly aroused, can at any time they wish throw the American fascists out of control. They can put the man above the dollar and march straight up from the precinct to the county to the State and to the National convention. They can see that the right men are nominated for Congress and the Senate. They can see that the Congressmen and Senators after they reach Washington are kept informed and eager to respond to Main Street instead of to Wall Street. Dollar principles are all right insofar as they serve human principles, but when they fail in such service they have no meaning except to American fascists.

The issue is very simple. The question is whether the people, keeping themselves fully informed, can operate through democratic government to keep the National interest above the interest of Wall Street. Or will the old-line politicians, financed from Wall Street, again succeed in making Washington the servant of Wall Street. What we need in this country is a new partnership in which Main Street and Wall Street, as well as Washington, will put nothing ahead of all-out production in our America of tomorrow.

The people can come out on top provided they remain continually awake and really believe they can have a higher standard of security and a higher standard of living and if they will not let up in their fight until they get what they want and must have. They must hold their Congressman responsible for

getting that higher standard of living. They must make him feel responsible at all times to the general welfare and above everything to the principle of complete utilization of all resources, all manpower, all skills, in the service of the common man in his search for jobs for all. In this fight of the people it is quite possible for those who control the big corporations to gum up our system so that it cannot work. It is possible for an incipient American fascism to precipitate a depression which will defeat all the desires of labor and government and most of business. Personally, I think they are too enlightened today to do a thing of that kind. Statements by the presidents of the United States Chamber of Commerce and the National Association of Manufacturers indicate that they realize there has been a great change in the moral as well as the business climate. Thousands of businessmen subscribe wholeheartedly to the principle of full utilization. And so I am sure that the managers controlling our great corporations will not deliberately produce a situation where there are 20,000,000 men unemployed. Nevertheless, the people will smash their system unless they are willing to furnish such active leadership in wholehearted cooperation with labor and government as will prevent serious unemployment.

We are in for a profound revolution, partly as a result of the aftermath of two great wars and partly as a result of 150 years of modern technology and democratic thinking about the rights and duties of man. Those of us who realize the inevitability of revolution are anxious that it be gradual and bloodless instead of sudden and bloody. We believe it can be gradual and bloodless if the makers of public opinion, if the politicians, if the pressure group leaders will only influence their millions of followers on behalf of the public good instead of regional and class prejudices. It would be simple if light could come down from heaven, but we all know that God helps those who help themselves. The people themselves will have to educate their leaders on behalf of the general welfare, measuring every article in the press, every statement over the radio, every act of Congress by the one yardstick: "Does this help use all our resources, employ all our men, develop all our skills?" If the people everywhere hold these judgments up as a measure, we shall gradually find this principle of "goodness" permeating our national life like a leaven. In no other climate can there be profits for our private enterprise economy. We must fight with all our might to do this thing. Otherwise, we shall have a bloody revolution and slavery. Time is pressing. Victory will bring problems on us so thick and fast that we must be prepared to make instant and correct decisions.

Today we can take the necessary steps. Tomorrow will be too late. We have the resources, both material and human. We have the machines, the tools, and the skills. We have evidence of new attitudes with greater vision. We have \$100,000,000,000 of savings. All we need to do is to press forward in confidence, believing in the complete use of all our resources. That confidence must come first; once we have it, the many specific actions on many specific fronts will all add up to a total picture that makes sense.

But if we do not press forward toward total peace in the same complete spirit as we have pressed toward total war, the \$100,000,000,000 will melt like snow in April and the machines and skills will become a mockery. I can't overemphasize the time factor. We must have the full employment, total-use peace-time system ready to begin its march the moment the wartime system slackens. Halfway measures will produce chaos and a democracy which is afflicted with pressure-group sickness does not have the vitality to stand that chaos. There is one yardstick by which we can judge those who would lead us in the future. Are they or are they not in favor of

using our resources to the utmost? When they oppose this or that specific program, are they ready with a concrete alternative to achieve the same end? It is the job of the common man to ask these questions again and again in the years ahead.

Job, before he could enter into his period of abundance when he was to be twice as rich, had to go through his time of misery and then have a change of heart toward God. We are not yet through our misery but I have faith that we will have sufficient change of heart in all sections of the country and among all groups of our people to correct our pressure-group sickness. We are eager to save ourselves. It was never easier, and it was never more urgent. If all groups know how vitally important is a complete, full-use peace system, if we put the same energy into the peace effort as the war effort, all the rest will be easy. We are the hope of the world. We must set our own house in order so that our light may shine as a comfort and a beacon to the whole world.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States to revise the basis of annual appraisal of its assets, and for other purposes.

The ACTING PRESIDENT pro tempore. The Chair wishes to announce that a unanimous-consent agreement was entered into yesterday by the Senate under which, at the conclusion of the remarks of the senior Senator from Wisconsin [Mr. LA FOLLETTE], who it was agreed should have the floor, and who is now recognized, debate would be limited, each Senator being allowed 20 minutes on each amendment and on the bill.

The amendment pending is the amendment as modified, offered by the Senator from Vermont [Mr. AIKEN], for himself and the Senator from Wisconsin [Mr. LA FOLLETTE], to the committee amendment to House bill 3477.

Mr. LA FOLLETTE obtained the floor.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. Yesterday, in discussing the amendment offered by the Senator from Wisconsin and myself, I mentioned the fact that certain representatives of labor unions had appeared before the committee in opposition to the provisions of the amendment as they were embodied to Senate bill 1331. This morning, however, I have received a copy of the Labor News, New England journal of labor, which is edited by Freeman M. Saltus. Mr. Saltus has in this issue an extremely fair editorial under the heading "Subsidize those who need it most." I ask unanimous consent that the editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SUBSIDIZE THOSE WHO NEED IT MOST

The War Food Administration, one of the hinges to the jammed door of price control, has belatedly endorsed a plan for selective subsidies first introduced last summer by Senator ROBERT LA FOLLETTE, of Wisconsin, and Senator GEORGE D. AIKEN, of Vermont. Under this plan the Government, through food stamps, would subsidize the grocery bills of low-income-group families. The cost of

this program, estimated at \$3,000,000,000, would assure an adequate diet to over 18,000,000 eligible persons.

Fair-minded persons cannot object to this program, although it does not entirely meet the administration's announced purpose of stabilizing food prices at the September 1942 level. The farmers loudly contend that they, and not the food producers and meat packers, who have been piling up fantastic profits, were entitled to the subsidy, and there is merit to this claim. On the other hand, there are certain middle-class groups having fixed salaries and incomes whose living standards have been seriously affected by inflated living costs. These people also have a reasonable claim upon a subsidization program which would rescue them from the horns of the dilemma on which they are pinioned.

Organized labor, too, rightly protested that the cost of living had so far outstripped wage increases that the average worker today, in effect, has taken a substantial pay cut when compared with his purchasing power of September 1942. Labor argued that it did not favor subsidies in principle, but that apparently they were the lesser of two unfavorable conditions which must be alleviated.

Senator AIKEN, in advocating his food-stamp program, said that it would "subsidize the 20 percent of the population hardest hit by the inflated living costs, without the Government attempting to subsidize the 80 percent who don't need it."

What the Senator apparently meant was that the 80 percent is better equipped to make sacrifices without suffering dire want. With this we agree; and since we must subsidize, let's favor those who need it the most.

Mr. LA FOLLETTE. Mr. President, the amendment which the Senator from Vermont [Mr. AIKEN] and I have offered to the bill is a sincere effort to find a constructive solution for the problem which confronts the Congress, the Executive, and the country as a result of the increased cost of living due to our participation in this global war. I should like to say at the outset that I believe most unfortunate and most extravagant statements have been made outside this Chamber in connection with the public discussion involving the problems of price regulation, control, and stabilization, and the relationship of subsidies to those problems. The advocates outside this Chamber, of subsidies have been creating an opinion in the public mind that failure to continue the subsidy program would result in a run-away inflation, and relaxation or a failure of all governmental efforts to stabilize, control, and regulate the wartime price structure of our economy.

On the other hand those outside this Chamber who have opposed subsidies have drawn extravagant conclusions unjustified, in my opinion, by the facts, as to the effect of their continuance and enlargement.

However, Mr. President, every thoughtful American citizen must realize that this problem of control and stabilization of prices is one of vital moment, not only in the conduct and the cost of the war, but also in its effect upon the problems which this Nation will confront during the post-war period.

Subsidies in their present form and as now applied are only a minor factor in the governmental program for the stabilization and control of the price structure. The great and more important instrumentalities now in possession of the

executive arm of the Government are the establishment of price ceilings and the power to ration those articles essential to human life of which there is an insufficient amount to meet consumer demand. They are the great pincers, if I may use that phrase, which can and have greatly succeeded in controlling and regulating the price structure. Subsidies, on the other hand, have been only a minor factor, taking into consideration the over-all magnitude of this question, and they have, as I said before, in my opinion, been greatly exaggerated insofar as their importance is concerned in obtaining the objective which every thoughtful person desires to obtain, namely the prevention of an uncontrolled and a run-away rise in the price structure of this Nation.

There are, however, Mr. President, two distinct problems which have become involved in this controversy over subsidies. The first one is the need of securing the agricultural production essential to our armed forces and to the civilian population of this Nation, to our associates and allies in this war through lend-lease. The other is the stabilization of the cost of living.

We overlook the vast magnitude of the problem with which we are confronted, insofar as the obtaining of the essential food production of this Nation is concerned. As in too many aspects of the war effort, there has been a tendency to believe that we could draw upon our food resources without limit, just as I believe there was an attitude that we could draw upon our resources of industrial production without limit, and too often the agencies in control of our war program have acted as if they could write unlimited blank checks upon the industrial and agricultural capacity of the Nation without the danger of overdrawing the account.

We must provide, Mr. President, adequate, nourishing food for the largest armed force any nation in the history of the world has ever mobilized for war. The demands of our associates in this war are likewise tremendous. The Foreign Relations Committee at this moment has under consideration a measure providing for Congressional action to implement the organization which took place at Atlantic City of U. N. R. R. A., and no doubt as the enemy is rolled back, as territories which have been under his domination and control come under the domination and control of this and other nations associated with us in this war, the demands for food will rise over and beyond the huge requirements with which we are now confronted.

Food production in the United States in 1943 was 32 percent above the 1935-39 average. It was a phenomenal achievement, and yet it is not enough. Already there are shortages in important foods here at home. The goals for 1944 call for the planting of 16,000,000 additional acres in the United States.

I quote briefly from a release from the War Food Administration dated January 15, 1944:

1943 PRODUCTION

In 1943 the Nation's record output of food was 32 percent above the 1935-39 average.

It was 5 percent above the previous all-time record in 1942. It was 50 percent above any year's production during the other World War. The 10 percent increase above 1942 in livestock production more than offset the 10 percent decrease in food-crop production which resulted from smaller yields due to drought conditions, notwithstanding a larger acreage. Record production of oil crops and direct-food crops included soybean production at 380 percent, peanuts at 211 percent, flaxseed 366 percent, dry peas 415 percent, beans 152 percent, and potatoes 128 percent of the 10-year pre-war 1932-41 average.

Because of their record purchasing power, civilians, unchecked, would have bought all the food we produced last year. Similarly, to have met the full wants of our armed forces and Allies would have endangered our civilians' nutritional status, endangering our war production and home-front morale. Allocation enabled the middle course. In 1943 it provided 75 percent of our food production for civilians, the rest going for direct war purposes—13 percent to our military services, 12 percent to our allies and other friendly nations.

Mr. President, I quote from a release of the Office of War Information under date of November 11, 1943:

In setting the goals for 1944 farmers made it clear that they would need adequate machinery, fertilizers, and labor, and that it would be necessary to have a continuation of the present price supports, and in some cases increased price supports.

Mr. President, it is my view that adequate prices covering the cost of production are absolutely essential if we are to meet or to approximate meeting the enormous goals which have been set for food production in 1944. Congress has recognized the effect of price upon the obtaining of increased production. In the act of July 1, 1944, extending the life of the Commodity Credit Corporation, we promised the farmer a support-price program at 85 percent of parity, where expanded production was demanded. In the Economic Stabilization Act of 1942 we raised the support-price program to 90 percent of parity. It is clear, therefore, that Congress has conceded parity to be a necessary level for farm prices, and we provided in that act that no price ceilings were to cut farm prices below the parity level.

Senators familiar with what has been going on in the agricultural regions of this Nation must be alarmed by recent developments. I mention only a few of them. One was the recent dumping of hogs on the market—thousands upon thousands of them, under prime weights, which represented a net loss in meat, caused by the inability of farmers to feed them and to hold them at prevailing costs. I mention as another example the havoc which has been wrought among poultry farmers because the Government did not support egg prices in December and January. Laying flocks have been reduced at an alarming rate because farmers could not meet the cost of production, with eggs selling at from 24 to 28 cents a dozen; and I am advised that egg prices on the farms are down again.

Mr. President, I recognize that there are certain types of subsidies which are necessary as a part of our program to increase food production. They may be needed from time to time to implement

the price-support program for the farmer. I also grant that subsidies on marginal production are, where administratively feasible, without too much red tape, useful in stimulating added production.

The general types of roll-back subsidies, however, to meet costs prevailing throughout the entire group of producers have no bearing on stimulating production. They are, in fact, subsidies in lieu of a fair and necessary price. Such subsidies, to pay the difference between the necessary support price and some arbitrary O. P. A. ceiling fixed below that point, are related instead to the problem of stabilizing the cost of living.

The roll-back type of subsidy is an indefensible device conceived in a misconstruction of the Economic Stabilization Act and the clear intent of the Congress when it passed it.

The subsidy program was based on many false assumptions. It was based on the assumption that prices were to be frozen at levels prevailing on September 15, 1942. Congress specifically provided that farm commodity prices would be allowed to rise to parity if they had not already reached a higher level. I wish to emphasize the point that it was the deliberate decision of the Congress that, in order to secure adequate production to meet the absolute needs of the armed services, the civilian population, and our allies, prices had to be allowed to rise to parity. The President was, moreover, authorized to allow such other increases as were found necessary for the successful prosecution of the war; and stabilization at September 15, 1942, levels was directed only insofar as practicable.

Mr. President, the necessity of subsidies in stabilizing the cost of living has been grossly exaggerated, as I have already said. It has been contended that subsidies are the keystone of the stabilization program. Subsidies have been dangled before the eyes of the public as a chain that would bind labor to the Little Steel formula and would prevent further wage increases. It has been contended that they are the only alternative to a runaway inflation.

I deny those assumptions. I deny those conclusions with every emphasis at my command. However, Mr. President, there is a serious cost-of-living problem which affects most seriously the low-income groups and the fixed-income groups in this country. It affects tragically those who have been disadvantaged by our participation in this war. They are the ones who are usually put forward as the persons for whom the subsidy is designed. They are the widows and orphans of this argument, who are constantly mentioned when the question of subsidies arises. That they present a very serious problem, not only so far as immediate human suffering is concerned, but also insofar as the condition, the health, and the welfare of the oncoming generation are concerned, I would be the first to emphasize and to acknowledge.

The basic low-cost adequate diet outlined by the Bureau of Human Nutrition and Home Economics for a family of four costs \$646 a year. There are 18,000,000

families in the United States, in this year of 1944, whose incomes are insufficient to provide that diet without robbing other essential needs of the normal family budget.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ELLENDER. The Senator has just indicated that the normal diet costs \$646 a year for a family of four. What does that consist of? Does the Senator have that information available?

Mr. LA FOLLETTE. I do not have that statement here.

Mr. ELLENDER. Does the \$646 include only food?

Mr. LA FOLLETTE. Yes; only food. In 1942 41 percent of the spending units, so-called, which include families and single persons as well, received incomes of less than \$1,500. Those receiving \$1,000 or less represented 24.6 percent of the population, including all families and single consumers.

I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks a table entitled "Distribution of Families and Single Consumers by Money Income Level, 1942."

The ACTING PRESIDENT pro tempore. Without objection, the table may be printed in the RECORD.

(See exhibit A.)

Mr. LA FOLLETTE. Mr. President, these groups represent a substantial slice of the population of this Nation, and with the increased cost which has come in food and other items involved in the standard of living, they are the groups which are being most greatly disadvantaged by the effects of war. They are the groups in which malnutrition and the tragic consequences which it brings in its wake will manifest themselves in the oncoming generation.

On page 196 of the hearings before the Committee on Banking and Currency will be found a table, No. 21, entitled "Recipients of Fixed Income by Type of Payment." There are 2,170,000 persons receiving old-age assistance. There are 310,000 receiving aid to dependent children. There are 80,000 receiving aid to the blind. There are 380,000 receiving general relief. In this category are 2,940,000 persons; and every Senator familiar with the assistance provided to those persons will appreciate that the increase in the cost of living has been a tragic and horrible consequence of war so far as they are concerned.

There are 1,340,000 persons in the Federal Government, excluding the military, receiving fixed incomes. There are 1,920,000 persons in State and local governments, excluding the public education systems. There are 1,320,000 persons on fixed income in the public educational institutions of the United States. There are 4,750,000 persons receiving military allotments. There are 860,000 persons receiving veterans' pensions. There are 10,000 receiving lump-sum old-age and survivors' insurance, and 680,000 receiving monthly payments under that category. There are 160,000 persons on fixed income under the Railroad Retirement Act, and 70,000 under civil service pensions. This makes a total of 14,050,000

persons in the United States who are on fixed incomes.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ELLENDER. The same table to which the Senator is referring was placed in the RECORD by me in a speech which I delivered in the Senate on November 29, 1943. I am wondering if the Senator will be good enough to tell us how many families he contemplates taking care of with the \$500,000,000 which is sought to be appropriated.

Mr. LA FOLLETTE. I was intending to come to that a little later in my discussion, but I shall be glad to refer to it briefly at this point.

The amendment as now drafted would provide 60 percent of the basic food allotment set out in the amendment to 22,800,000 persons, or, as I estimate it, at 3½ persons to a family, to 6,500,000 families.

Mr. ELLENDER. What would be the income received by the persons sought to be helped?

Mr. LA FOLLETTE. It is a little difficult to give an exact figure. The Senator will recall that at the time when we had experience with relief during the period of unemployment—and I wish to make it clear that I do not regard this as a relief measure in that sense, because this is war assistance for disadvantaged groups—our experience during that time was that whatever money the Congress appropriated had to be spread over those who were eligible, to the best of the ability of the administrators.

In other words, during the depression we never at any time appropriated a sufficient amount of money to the W. P. A., or any other organization, to take care of all those who were eligible to receive assistance. The best estimate which I can give the Senator is that this amendment, limited to \$500,000,000, would furnish assistance to 6,500,000 families, or 22,800,000 persons, and that it would not affect those at the family income level above approximately \$1,100. For a single person, 60 percent of the basic allotment would not provide in all probability, assistance if his income exceeded \$350.

Mr. ELLENDER. In other words, families receiving \$1,100 and more, would not be entitled to receive any of these funds.

Mr. LA FOLLETTE. I wish to make it clear that there is no absolute ceiling in the amendment; but applying 60 percent, as would have to be done under the amendment as now drawn, and providing a fund of \$500,000,000, it would be necessary to afford war assistance at the level at which there was the greatest need. The effect of it, generally speaking, would be to limit it to families with incomes of \$1,100 and below, and to single persons with incomes of less than \$350. However, that would not be an absolute limit which would prevent a family with more dependents than the average from receiving assistance if its income happened to be greater than \$1,100.

Mr. ELLENDER. In the speech to which I referred, which I delivered on November 29, I placed in the RECORD

a table showing the income of typical farmers all over the country, including farmers from Georgia, Mississippi, and several other Southern States. The typical Georgia two-mule farmer, let us say, has an income of \$648. Would a farmer of that type be eligible to receive assistance under the Senator's amendment?

Mr. LA FOLLETTE. He would be if he was head of a family.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. Some of the rural people in this country are in a worse economic condition than those who live in the large metropolitan areas.

Mr. ELLENDER. Would the Senator's amendment make any difference between the allowance to be given to persons living on the farm and that given to those living in cities?

Mr. LA FOLLETTE. It would not. The amendment has this provision in it, however, which I wish to emphasize: It provides for regional differentials in order that the other factors in the cost of living may be taken into consideration.

Mr. ELLENDER. That is along the same line that was followed under the W. P. A., I presume. For example, a workman in New York received \$58 a month, and a workman in Louisiana received only \$19 a month. Is that the Senator's idea?

Mr. LA FOLLETTE. My idea is that so long as we are unable to take care of this entire problem we should provide for regional differences in the total cost of living. Obviously, if a person does not have any fuel bill, if he lives in an area of the country where fuel is not required, that fact reduces the ordinary family budget. But, as I see it, this measure would be administered through existing agencies in the States, and they would have to take into consideration the entire cost-of-living budget of a family, and thereafter supplement the food budget to make it equalize with that of any other person similarly situated as to income, in the United States, regardless of where he lived.

Mr. ELLENDER. Will the Senator further yield to me?

Mr. LA FOLLETTE. Of course, if it were proposed to give wartime assistance to disadvantaged persons for all the factors in the cost of living, the situation would be different. But this amendment is a solution of the problem to which it is contended by many advocates of subsidies that the subsidy program is directed. I certainly do not think there would be any dietary discrimination in the net result, region by region.

Mr. ELLENDER. That is the point about which I desire to ask the Senator further questions. I understood the Senator to say a while ago that \$646 per family is the amount which is usually spent by the average family for food which would constitute a good diet, and that a certain percentage of that amount would be given to families in need whose incomes are, say, less than \$1,100. If that is the situation, why should there be a regional differential? Is it not necessary to give the same diet to a person in the South as is given one in the North?

Mr. LA FOLLETTE. Yes; and I do not think there would be any discrimi-

nation in the diet so far as regions of the country are concerned. The diet would be similar. The only difference would be as to the other factors, which may make more of the family's income available for food.

Mr. ELLENDER. But since the Senator has limited the application of the amendment to food, there is very little difference in the cost of food as between the East, the North, and the South. That is why I am wondering why the Senator has established zones in his amendment.

Mr. LA FOLLETTE. Simply to take care of the situation which I have already tried to explain to the Senator. If in a particular region there is more of the family's income available for food under normal conditions because of the fact that the family does not have to spend part of its income for other purposes, it was felt in drafting the amendment that there should be some flexibility, but no discrimination between regions is intended.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. I have listened to the address of the Senator from Wisconsin, and the questions propounded by the Senator from Louisiana, in which he stated that there was a difference between the W. P. A. rate paid in New York, I believe, of \$54 as against \$19, or approximately that amount, in the South. I am sure the Senator from Wisconsin feels that there should be no such differential between various sections of the country as prevailed under W. P. A.

Mr. LA FOLLETTE. Of course not.

Mr. TYDINGS. I think it should be pointed out that the differential, if any, would be small.

Mr. LA FOLLETTE. And there would be no differential in diet. That is the point. This amendment is directed toward meeting the problem which low income and fixed income groups face in view of the increase in the cost of food. The amendment does not involve any question of wage scales or wage levels, but is simply designed to provide families who could be benefited by this program with a food assistance which would have the result of producing the same effect on the recipient's table whether he lived in Florida, or whether he lived in New York, or whether he lived in Maine, or whether he lived in California.

Mr. TYDINGS. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Wisconsin yield further to the Senator from Maryland?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. To take a concrete case, a family of four in New York City and a family of four in Maryland or Alabama, for example; if they were in a relative economic status, under the Senator's plan, would eat exactly the same kinds of food if they availed themselves of the stamps, and if it were possible to obtain the same foods?

Mr. LA FOLLETTE. That is correct.

Mr. TYDINGS. So whether they live North or South would not be a primary factor. The primary factor would be

what is needed to establish the family in New York and the family in Maryland and the family in Alabama on the same general subsistence level, their economic status being relatively the same. Is that correct?

Mr. LA FOLLETTE. The Senator states it better than I have.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BANKHEAD. As I understood him, the Senator stated that there would be no difference in the diet. Does he mean by that statement that there would be the same kind of a diet?

Mr. LA FOLLETTE. No. I meant there would be no difference in the ability of the individual who received the stamps to obtain if he so desired, the same kind or an equivalent amount in money value that may be obtained by someone else in a different region.

One of the advantages of the stamp plan, as Senators will remember, was that there was no supervision of their expenditure; the stamps were issued, and then the individual was in the position to go to his normal place of trade and spend the stamps for the commodities which were designated to be available under them.

Mr. BANKHEAD. The Senator referred to the quality of diet. Is the amendment intended to cover both the quality of the diet and the quantity of the diet?

Mr. LA FOLLETTE. Of course, quality would be something which would depend on what was available in the community. It is not the design of the amendment to have those who administer it buy food and import or ship it into communities. They would simply provide the recipient with the stamps, and he would be at liberty to go to any of the usual places where he normally obtains his food and there utilize the stamps as if they were money.

Mr. BANKHEAD. I should like to ask another question if the Senator will permit me.

The ACTING PRESIDENT pro tempore. Does the Senator from Wisconsin yield further to the Senator from Alabama?

Mr. LA FOLLETTE. I yield.

Mr. BANKHEAD. Who will fix the differential between the different areas or zones?

Mr. LA FOLLETTE. That will be fixed by the administrator of the act, who would be a Deputy Director of the Food Distribution Administration.

Mr. BANKHEAD. The Deputy Director, then, would fix the quantity that the client in Alabama may get and also the quantity the client in Wisconsin may get, and so on throughout the different zones.

Mr. LA FOLLETTE. He would have the power to set up regional areas, and between those regional areas he would have the power to make adjustments, but he would not be able to say what the individual recipient should receive.

Mr. BANKHEAD. As I understood the Senator, it would be permissible under the amendment, as it was in practice under W. P. A., to provide for one area a quantity different from that provided for another area. I want to find

out who settles that, who decides how much Alabama will have, and how much New York will have. What will be the difference, if there is to be a difference between them? There was a difference under W. P. A.

Mr. AIKEN. Mr. President, will the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. I think the Deputy Director of the Food Distribution Administration would have the say. The agencies of the Government have data showing the percentage of income spent for food by people in each section of the country. Of course, people who live in warm sections probably spend a larger percentage for food than they do for other things because they do not have to spend so much for clothing and fuel.

Mr. BANKHEAD. Will the differentials be based upon the quantity of food heretofore used together with its cost?

Mr. AIKEN. This amendment is designed to make up the difference between what they have to spend for food out of their income and what it would be necessary for them to spend for food in order properly to maintain their health.

There is an elasticity in the amendment. The \$1,100 or \$1,200 which we take as the line above which the \$500,000,000 would not be available is the national average. I presume the people living in cities where rents are high—and we know where rents are high—cannot get by on the same amount of income as people who live on the farm. However, in figuring the income of people on the farm allowance is made for rent, for what they raise on the farm for themselves, and for other noncash income which they might have but which the people in the cities do not have. But, in the final analysis, the amendment provides on page 5, subsection (b):

(b) For the purpose of determining eligibility and the value of coupons issuable, as provided in section 5 of this act, the Director—

That is the Director of the Food Distribution Administration—

shall determine semiannually in the manner specified in subsection (a) of this section, the normal food expenditures and the reasonable cost, according to the food prices collected by the Bureau of Labor Statistics in the Department of Labor, of the basic food allotment for households within each size and income classification. Such normal food expenditures shall be stated in terms of the national average, but the Director may, if he deems it necessary in order to effectuate the purposes of this act of securing equitable distribution of food supplies, provide for regional differentials with respect to the reasonable cost of the basic food allotments.

The amendment is so drawn that the people living in one section of the country would be entitled to exactly as good a diet as those living in any other section.

Mr. BANKHEAD. I am not critical of the idea, but I want to call the attention of the two Senators who are the authors of the amendment to the fact that, as I am sure they will recall, one of the most controversial questions which arose each year in connection with appropriations for W. P. A. was the formula un-

der which the money was distributed, and the differences in the various sections of the country in the amount of the money expended from the relief fund of the W. P. A. There was a controversy every time the bill came before the Congress for consideration.

Mr. LA FOLLETTE. Mr. President, I should like to emphasize the point that the regional flexibility feature of the amendment is not designed to bring about such a result. It is solely designed to make certain that there can be taken into account the fact that if more of a person's income is available for food because he does not spend it for other essentials in the cost of living, there may be a reduction in the amount of stamps, but there can be no discrimination between regions so far as the actual supplementation of the diet of persons is concerned.

Mr. ELLENDER. Mr. President, on that point will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ELLENDER. The Senator has stated very clearly that, as he understands the amendment, everyone will be treated equally, as it were, in the matter of diet. That being true, I cannot for the life of me see why it is necessary to establish zones.

Mr. LA FOLLETTE. If Senators object to that provision, so far as I am concerned I am perfectly willing to eliminate it, but it was emphasized by those with whom we consulted in drafting the bill that there are certain drains, so to speak, on the family income in one region which do not exist in another. I feel certain that the Senator from Vermont and I had only that in mind, and if the provision disturbs any Senator, so far as I am personally concerned, I should be glad to modify the amendment and eliminate the provision.

Mr. ELLENDER. I wish to suggest to the Senator a specific example. For instance, we allow to dependents a given sum, let us say, depending on how many children the soldier leaves behind. Suppose there is a farm boy, let us say, from Tennessee, who might be in zone 1, whose wife would be entitled to \$60, let us assume. Then there may be a soldier who lives in New York, or in Vermont, and whose wife receives \$60. Why should not these families receive the same amount, under the Senator's amendment?

Mr. LA FOLLETTE. So far as I am concerned, I repeat what I said before, the sole objective of giving the power to establish the regional differentials was for the purpose of permitting the Administration to take into account the fact that the persons living in one region might have a greater proportion of their income available for food than those living in another, because the person in the latter region might have other essential demands, so far as the standard of living was concerned, which cut down the amount available for food. But, as I have said, if the Senator is concerned about that feature, I am perfectly willing to take out of the amendment the provision giving discretion, because it certainly was never intended to have any

such result as the Senator's questions indicate he is worried about.

Mr. ELLENDER. It strikes me that since the Senator begins with the premise that all the persons he intends to take care of are not able to take care of themselves because of lack of funds, he assumes at once that with their present revenues, no matter where they are located, they cannot maintain their families decently. It is for that reason that he is now desirous of making this money available. Since that is true, it strikes me that whether a family should receive 60 percent of the amount to be allowed, or 20 percent, or 30 percent, should depend on the family's ability to obtain the diet which the Senator desires the family to have.

Mr. AIKEN. Mr. President, if the Senator from Wisconsin will yield, we have already stated that it is the intention of the amendment to allow exactly the same adequate diet to persons, regardless of where they live.

Mr. ELLENDER. That should settle it, then.

Mr. AIKEN. If there is any discrimination, however, it would be in favor of those who live in a section of the country where food constitutes a major part of the expense. There should be some elasticity, so that there could be some difference between those who lived in high-cost areas and those who lived in lower-cost areas within the same State. But I state absolutely that it is the intention and purpose to give exactly the same adequate diet to everyone eligible, regardless of where he or she may live.

Mr. LA FOLLETTE. Mr. President, I should like to suggest to the Senator from Vermont that he eliminate the discretionary provision, because I do not think it is vital to the amendment. It was inserted solely to take care of the situation which we have outlined. If any Senators have apprehension about it, I am perfectly willing to modify the amendment.

Mr. AIKEN. I am willing to modify it to that extent.

Mr. ELLENDER. So far as I am concerned, I think the provision should be deleted. I do not believe there should be a discrimination, since the object of the Senators is to give to each beneficiary a like diet.

Mr. AIKEN. As the Senator from Wisconsin has stated, we consulted freely with those who know most about food distribution in the United States and those who had the most experience under the old stamp act. I wonder if there is some particular reason why those lines should be in the amendment, and if the amendment should go to conference, if the conference committee would have the right to reinsert them. So far as I am concerned now, the amendment may be modified.

Mr. LA FOLLETTE. I suggest that the Senator modify his amendment by inserting a period after the word "average" in line 17, page 5, and strike out the balance of the sentence, and on page 6, line 20, after the parenthesis (c), strike out the words "except for variations based on regional differentials authorized under section 4 (b) of this

act," and begin the word "all" with a capital letter.

Mr. MURDOCK. Mr. President—
The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield.

Mr. MURDOCK. I am wondering whether the amendment proposed by the Senator from Vermont and the Senator from Wisconsin has been referred to the present War Food Administrator for his opinion and judgment on it.

Mr. LA FOLLETTE. Yes; we have a letter, which is in the record of the hearings, signed by the Acting War Food Administrator, expressing his approval of the measure, with the usual and customary statement that it does not have the approval of the Bureau of the Budget, but that they were at liberty to file the statement with the chairman of the Committee on Agriculture and Forestry. I think I have the letter right here, and I shall be glad either to read it, or to show it to the Senator, if he is interested.

Mr. MURDOCK. Would the Senator say that the attitude of the War Food Administration is favorable to the proposed amendment?

Mr. AIKEN. The War Food Administration, in a letter signed by Acting Administrator Grover B. Hill, stated that in their opinion such a plan was very desirable. They said that the Bureau of the Budget told them that section 302, forbidding certain subsidies, was not in accord with the President's program, but that they had no objection to the report being sent up by the War Food Administrator.

I may also say that one of the most earnest advocates of the bill, which is now the amendment, appearing before the committee, was Dr. H. R. Tolley, of the Bureau of Agricultural Economics. I forgot to mention him yesterday in recounting those who advocated the amendment. A consumers' organization, known as the Peoples' Lobby, also spoke in favor of the amendment.

Mr. MURDOCK. I wonder if it would be asking too much to request the Senator from Wisconsin to make the letter received from the War Food Administration a part of his remarks and insert it immediately following his remarks.

Mr. LA FOLLETTE. I have the letter here, and shall read it now. It is dated December 20, 1943, and reads as follows:

Hon. ELLISON D. SMITH,

*Chairman, Committee on
Agriculture and Forestry,
United States Senate.*

DEAR SENATOR SMITH: Your letter of July 12 asked for our views concerning S. 1331, a bill "to assist in the effective prosecution of the war; to improve the health, efficiency, and morale of the civilian population and armed forces; to provide for a more equitable distribution of food supplies through a food-allotment plan; to prohibit the payment of subsidies for the production, processing, distribution, or other handling of agricultural commodities except as specifically authorized by the Congress; and for other purposes."

That is a quotation from the title of the measure which the Senator from Vermont and I introduced in the form of a bill. Now this measure has been

modified to strike out from it the authorization for a sum sufficient to carry out the program, and it now contains an authorization for \$500,000,000, which cuts down both the percentage of the basic food allotment which can be provided under it and also the number of persons who would be enabled to receive benefits from it.

The food-allotment plan outlined in the bill is intended to supplement the diets of all families now getting less than minimum amounts needed for good health and nutrition. The War Food Administration recognizes that many families are not getting adequate amounts of food. Those who are employed at good wages probably can well afford to pay the increased costs of food in recent years. However, there are many groups of workers, such as school teachers, for example, whose salaries have always been rather low, and who in most cases have not received increases in pay sufficient to cover higher living costs. The program provided by this bill would be of substantial assistance to groups of this kind, as well as to many unemployable groups, such as aged people and those with physical handicaps. We believe a program of this general character would be very desirable.

The War Food Administration has studied some of the administrative problems in connection with this program.

Mr. President, I ask to insert in the RECORD the remainder of the letter, if the Senator from Utah so desires.

Mr. MURDOCK. I think it would be beneficial to have it in the RECORD.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Without objection, it is so ordered.

The remainder of the letter is as follows:

It is probably unnecessary to comment on these problems in detail at the present time, but we would like to point out that the current average cost of the basic food allotment as outlined in this bill is approximately \$646 a year for an average family of four persons. Reviewing available statistics on food expenditures, it appears that families with income below \$2,350 a year are spending less than this amount for food. From this and other available data it appears that about 18,000,000 families and single individuals might be eligible to participate.

If all eligible families did participate and if the Government provided food stamps to make up the full difference between normal expenditures and \$646 a year, the annual cost would be approximately \$3,000,000,000. This, of course, is a maximum figure. Only 60 percent to 80 percent of the eligible families participated in the former food-stamp program, and perhaps no larger percentage would participate in the proposed food-allotment plan. Also, of course, Congress might decide to appropriate smaller amounts of money, in which case the allotments would be set below the \$646 which would be required to bring diets fully up to the standards set in the bill.

We note that the bill does not require normal cash expenditures for food to be maintained. For example, a family spending \$450 a year for food might be given \$200 worth of food coupons. This would not mean, of course, that the family would get an additional \$200 worth of food. As a matter of fact, such a family could, if it chose, decrease cash expenditures by \$200, saving \$200 to spend on other things and getting no more food. Our experience with the food-stamp program suggests that about one-half of the dollar value of a food coupon would represent increased purchases of food unless some way could be found either to induce or to re-

quire participating families to maintain their cash food expenditures.

We believe it is clear that the program authorized by this bill would not prevent increases in food prices. On the other hand, it would at least partly compensate low-income families for recent or prospective price increases.

The Bureau of the Budget advises that, while the enactment of section 302 of the bill (prohibiting the payment of subsidies) would not be in accord with the program of the President, it has no objection to the submission of this report.

Sincerely,

GROVER B. HILL,
Acting Administrator.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MURDOCK. As I understand the amendment, a primary purpose is to bolster the income of low-income groups so as to give them more money with which to go into the market and purchase food.

Mr. LA FOLLETTE. To supplement the income.

Mr. MURDOCK. Yes; and that the authorization is \$500,000,000. Is that over any period of time?

Mr. LA FOLLETTE. It is for the program.

Mr. MURDOCK. Today, because of the food shortage we are rationing food, and we are operating, or attempting to operate at least on a price-ceiling basis. Will the amendment of the Senators result in increasing the competition between consumers for the available food supplies?

Mr. LA FOLLETTE. What it will do will be to make effective some of the ration stamps which have been given to individuals because they were entitled to them, but who have been unable to utilize them because they have not had sufficient income to use the stamps.

Mr. MURDOCK. Well, but it results, does it not—

Mr. LA FOLLETTE. It does not result in any cut-back of the estimates made at the time the rations have been issued. The Senator very well knows that there are many persons in the low-income groups and in fixed-income groups who cannot utilize their stamps, and who made them available to other persons to use, because they do not have purchasing power. But when these foods are rationed, if the O. P. A. is capable of conducting the rationing program, it will not issue more stamps than can be used for the foods which are to be rationed. The amendment would only serve to see to it that the foods which are rationed are equitably distributed, and that some individuals do not secure more food than they are entitled to, or in many cases can use on an economical basis.

Mr. MURDOCK. I wish to congratulate the Senator on the very laudable objectives of his amendment. My only purpose is to obtain his judgment as to whether it will furnish a further impetus to inflation.

Mr. LA FOLLETTE. I think on the contrary that it cannot have an inflationary effect, assuming that the rationing program is predicated upon any sound basis whatsoever, because the O. P. A. must calculate, when it issues its

rationing stamps and when it makes quantities of food available thereunder, that the privileges of purchase thereunder are going to be exercised. But what happens is, as I have said before, that many persons in the disadvantaged group, due to the war, do not have buying power with which to use their stamps, so they either give them away or sell them or otherwise make them available to someone who has the purchasing power.

Mr. MURDOCK. Then, notwithstanding the fact that the amendment authorizes within one fiscal year the pouring into the circulatory monetary stream of an additional \$500,000,000, it is the Senator's best judgment that that will not be conducive to uncontrolled inflation?

Mr. LA FOLLETTE. I am assuming that the rationing program is predicated upon sound estimates. If that is wrong, of course, there is no way of making any calculations whatsoever. But assuming it has been done with any care and intelligence, the value of the coupons, and the amount which they are available to purchase have been based upon the assumption that they would all be utilized. Therefore, it cannot cause any shortage so far as the rest of the consuming public is concerned. It may prevent many persons who today are getting ration points which they have no right to, from those who are underprivileged and unable to buy, from securing the excessive amounts of rationed foods which they have been obtaining.

Mr. MURDOCK. Will the Senator let me ask another question?

Mr. LA FOLLETTE. Yes. I do not wish the Senator to think that the vigor with which I am answering his question is any indication that his question is received in a hostile manner. I appreciate the fact that he is bringing out a very important point.

Mr. MURDOCK. I always like the the vigorous approach of the Senator from Wisconsin, and I do not take any offense at it to myself.

Mr. LA FOLLETTE. I thank the Senator.

Mr. MURDOCK. As I have followed the Senator, he says that points are issued to families today in the lower income group which cannot be used because of an inadequate purchasing power.

Mr. LA FOLLETTE. That is correct.

Mr. MURDOCK. But that the stamps which are issued to those families find their way into the hands of the higher income groups, who are obtaining more than their share of the available food supply?

Mr. LA FOLLETTE. I could not say that all of them do, but I do know of enough instances of my own personal knowledge to lead me to believe that it is a very widespread practice of people to obtain ration stamps either for money or by gift from persons who do not have the ability to buy the allotment of food which has been given to them under the rationing program.

Mr. MURDOCK. So that if the Senator's theory is correct, the mere fact that there is placed in the available money supply an additional \$500,000,000

in a fiscal year should not necessarily increase the competition for the available food supply?

Mr. LA FOLLETTE. No; but on the contrary I contend that the subsidizing the cost of food to persons in the higher income groups has the effect of releasing purchasing power to add to the inflationary pressure.

Mr. MURDOCK. I thank the Senator. Mr. AIKEN. Mr. President—

The PRESIDING OFFICER (Mr. O'DANIEL in the chair). Does the Senator from Wisconsin yield to the Senator from Vermont?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. I have in my hand a statement giving the results of surveys by the Bureau of Agricultural Economics, United States Department of Agriculture. The statement was presented to the committee by Dr. Tolley. It is quite pertinent to the questions which have been asked by the Senator from Utah. I read as follows:

Interviews of urban and rural people during the past year give an indication of how the wartime food consumption of consumers has been modified, especially what problems low-income groups are experiencing in attempting to satisfy their food needs in face of rising prices. The situation is well summarized in a statement from a housewife in one of the Southeastern States: "Us gits just as hungry as before the war, but we cooks and eats less because of the cost."

Surveys in the Southeastern States lead to the following conclusions:

1. About 40 percent of the families of low economic status have an excess of red-brown ration points while only about 20 percent of this group state they have insufficient points. This situation was entirely reversed for the higher income groups.

2. The low-income families having excess stamps generally report they buy less lard, butter, and other rationed foods because of their high cost.

3. The cost and availability of non-rationed foods is likewise a problem to many low-income families. A Birmingham housewife complained: "I bake less because cornmeal is hard to get and the things you have to buy cost so much these days. I buy less lard. We don't really get enough, but we make it last." Another said: "I was raised on cornmeal and I most starve for it now." Flour and shortening were most often said to be too prohibitive in price for the housewife to maintain her baking habits. More low-income families complained about the shortage, poor quality, and high price of cornmeal than about any other food except sugar.

4. In Richmond, Va., 60 percent of the families earning \$15 or less per week and 40 percent of those earning between \$15 and \$25 weekly reported that they cannot live up to their former nutrition standards because of high prices and occasional local food shortages.

5. In the same city two-thirds of the families with weekly incomes under \$15 have made extensive changes in their food consumption patterns.

In the United States generally the problems reported by Southeast consumers are characteristic of other sections except for certain regional differences associated with industrial employment and proximity to food industrial employment and proximity to food-producing areas.

Dr. Tolley emphasized very strongly the fact that today the low-income consumers cannot use up their ration stamps, because they do not have enough money to match the stamps.

Mr. LA FOLLETTE. Mr. President, with reference to the amount which is provided in the amendment, I should like to read a little further from Dr. Tolley's testimony:

Just in general it seems to me that something like \$500,000,000 a year would be the absolute minimum under which a program of this kind could be spread all over the country; and even if a program of that size were put into effect better results might be obtained if funds were limited and at the beginning it were made available only to certain groups within these income classes that are already laid out.

For instance, we know that there are many families of soldiers and sailors and veterans who are in these income classes whose income now is lower than it was before the soldier or sailor went to war.

Mr. President, the plight of persons in the fixed-income and low-income groups is one which I believe we are inclined to underestimate and to fail to understand. They are not an organized group. They have no great Nation-wide organizations. They have no persons whom they can send to Washington by the trainload to see Senators and Members of the House of Representatives and to press upon the Congress and the executive branch of the Government the dire straits in which they find themselves.

Likewise, Mr. President, there are the problems of the war workers jammed into a city beset with food shortages, inadequate housing facilities, overtaxed restaurants, and so forth. There are the working women who must provide for their children at home.

The general consumer subsidy program to which the administration has clung with such undying tenacity does not begin to touch these problems I have been discussing. So far, only food subsidies have been discussed; but food, Mr. President, is only 41 percent of the cost of living. Clothing is considered, by the Bureau of Labor Statistics, to be 12 percent of the cost of living. From December 1942 clothing prices have risen 6.9 percent, more than double the increase in the cost of food. I ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, a table from the January 31, 1944, Monthly Digest to Members of Congress from the Bureau of Labor Statistics of the Department of Labor, with reference to the percentage changes in the cost of living.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Percentage changes in cost of living

Group	December 1942 to December 1943	December 1941 to December 1942	December 1940 to December 1941	August 1939 to December 1943
All items.....	+3.3	+9.0	+9.7	+26.2
Food.....	+3.3	+17.3	+16.2	+46.6
Clothing.....	+6.9	+9.7	+13.0	+34.2
Rent.....	+1	-.2	+3.1	+3.6
Fuel, electricity, and ice.....	+3.0	+2.1	+3.4	+12.3
Housefurnishings.....	+3.4	+5.9	+16.3	+27.1
Miscellaneous.....	+4.7	+4.7	+5.8	+17.6

Mr. LA FOLLETTE. A brief perusal of this table will show, Mr. President, that the present subsidy program is directed at only a part of the total family budget which goes into the cost of living. We are at the crossroads in the decision we are about to make. If we are going farther down the road of subsidies, then there is no place to stop until we get to the end of that road, until we reach the point where every important item in the cost of living has been subsidized. How will we deny to those who are contending for relief from this situation, the right to subsidies on rents, on clothing, on fuel, on house furnishings, and on the other items which go into the cost of living? Mr. President, food, as we all know, is not the only thing required for living in a modern society, although it is the primary consideration. These other items are of almost equal importance. How will we deny the appeal to extend the subsidy program outside of the food field? How will we turn back the demand that more and more of the items in the food budget shall be subsidized, unless we find some constructive alternative to this subsidy program?

Furthermore, Mr. President, it is my contention that the subsidy program has utterly failed so far as the persons who are in most dire need of assistance are concerned, namely, those in the low-income groups and in the fixed-income groups. The total consumer saving claimed for the present subsidy program is \$1,151,000,000, and that is to permit those who are ardent advocates of the subsidy program, and who appeared before the Senate committee in an effort to put it over on the Congress again, to take credit for every dollar they claim as a saving, both direct and indirect. Taking their own figures, some of which I think are justified, and some of which I think are exaggerated, but giving them the benefit of every possible doubt and of all the exaggeration which they may have in their claims, the sum of \$1,151,000,000 is only 3.5 percent of the 1943 national food bill. It is 1 percent of total consumer expenditures in 1943. How much of the saving claimed is a saving in mark-ups, and not necessarily due to subsidies? The actual direct aid afforded by food subsidies is only 2.6 percent of the national food bill. This subsidy aid is infinitesimal when translated into terms of specific income food budgets. Taking their 3½ percent, and giving them all they have claimed for their program, let us see what has been accomplished in helping the people who are put forward as the primary justification for subsidies. For a family at an income level below \$500, the savings from the food-subsidy program amount to \$5.57 a year.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. That is assuming that they buy the same amount of subsidized foods per capita as other people buy.

Mr. LA FOLLETTE. That is applying the 3½-percent saving to their food expenditure.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. The Senator knows that my argument in favor of the continuation of the program was not based upon that premise.

Mr. LA FOLLETTE. I realize that; but I also realize that the fixed-income groups and the low-income groups have been utilized by many others who have advocated the continuation of the subsidy program. They are the ones who should have our first consideration, because they are the ones who have been disadvantaged by the war. They are the people who have had an already cruelly low standard of living further pushed down toward the near-starvation level by the war. They are not benefiting either directly or indirectly. They are not only being asked to sacrifice a tragically low standard of living which should bring a blush of shame to every statesman in America, but they are also giving up their flesh and blood on the battlefields and on the seven seas of this global war.

Mr. MALONEY. Does not the Senator believe that the proper way to take care of that distressed class of people is by providing proper wage scales for them?

Mr. LA FOLLETTE. The fact is that many of such persons are not employable. Many of them have very meager incomes, and are receiving such incomes under wartime conditions.

Mr. MALONEY. I refer to those who are employable.

Mr. LA FOLLETTE. If I could provide a higher standard of living for those people, which they, themselves, could earn and work for, I should be very glad to bring it about; but the fact remains that many persons, despite the stimulation of war, have not had an increase in their income, and many of them have had a decrease in their income because of the effect of war.

A family at the income level of \$500 to \$1,000, under the subsidy program, giving the O. P. A. all that it claims, has a saving of \$10.96 a year. In the group from \$1,000 to \$1,500 the saving is \$16.84; in the group from \$1,500 to \$2,000 the saving is \$20.54; in the group from \$2,000 to \$2,500 the saving is \$23.80; in the group from \$2,500 to \$3,000 the saving is \$26.85; from \$3,000 to \$4,000 the saving is \$30.29; from \$4,000 to \$5,000 the saving is \$34.44; from \$5,000 to \$7,500 the saving is \$39.62; from \$7,500 to \$10,000 the saving is \$43.54. At the \$10,000 level it would amount to \$60.24.

Mr. MALONEY. Mr. President, will the Senator further yield?

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. Would the Senator agree that if there were no price control and if it should become necessary, as a result of the loss of the subsidy program, to increase prices, the figures which he has just given would be multiplied many times because of the increase in prices?

Mr. LA FOLLETTE. I do not concede—I deny with every fiber of my being that subsidies are the keystone of the arch of the price-control and stabili-

zation program. Subsidies have been exaggerated out of all proportion to their relatively insignificant importance in this situation. The important factors in the control of prices are, first of all, the power to fix prices; secondly, the power to ration articles for which there is greater consumer demand than supply; and, third, the fiscal and taxation policy of the Nation. The role of subsidies has been blown up out of all proportion, until many persons in the United States have obtained the impression that if subsidies are abandoned there will be a runaway inflation in this country, the kind about which the Senator from Georgia spoke, in which there will be a flight from the dollar into tangible goods. I say, "Stuff and nonsense."

Mr. MALONEY. The Senator knows, however, that the War Labor Board, the Office of Price Administration, and others charged with the management of the program, say that this is the keystone.

Mr. LA FOLLETTE. Yes; and I deny it. I say that there is no evidence to prove it. There is nothing but their exaggerated assertions. I say that if we had never adopted a subsidy program they would have been able to control prices and they would have been able to control the economy. I say that subsidies have been exaggerated out of all proportion. They have been tied up with the Little Steel formula, which has been broken; and it is about time the American people got the truth about this matter, because if they do not, they are going to have a false impression if in the end Congress should win over the Executive in this fight. That is why I am joining with the Senator from Vermont in trying to offer a constructive solution for the most crying need insofar as the increased cost of living is concerned.

I do not think it is the responsibility of Government to say to every person who stays at home, in the safety of the continent of the United States, separated by thousands of miles from the conflict, that he shall not suffer any hardship as a result of the war. I do not think that every person who has been advantaged by the war, who is receiving more income today, from whatever source it may be derived, than he ever received before, is entitled to have the cost of living rolled back for him.

However, in war the Government has a responsibility. It has a duty to see that the effects of war shall not produce more malnutrition, more disease, and more of the unconscionable conditions which exist in the rural and urban slums of this Nation. We have a responsibility to do that, Mr. President, not only because of our sympathy, but because today those people are producing children who will be a part of the adult generation of tomorrow, upon which the future stability of this Republic will rest.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. Referring to the remarks of the Senator from Connecticut [Mr. MALONEY], we are all familiar with the testimony of the Price Administrator to the effect that if roll-back subsidies were

removed the cost of food would increase 7 percent. The fact remains that when roll-back subsidies were put on, the cost of food did not decrease 7 percent, in spite of the fact that subsidies resulted in a demoralized condition in the livestock market.

Mr. LA FOLLETTE. Not only that, Mr. President, but I think it can be shown from their own charts that the leveling off in the cost of living came as a result of the establishment of price ceilings, more than as a result of the establishment of subsidies. The leveling off started when price ceilings were established. There has been much loose talk and loose thinking on this subject. Of course, Congress provided that under the Stabilization Act farm prices should not have ceilings placed upon them until they reached parity, or the price on a certain date prior to the enactment of the act, whichever was the higher. Naturally such prices rose until they reached that point. But the O. P. A. placed ceilings on the prices after they had crossed that line, and I think it can be shown that it was then that the cost-of-living index began to level off. Subsidies came later. I shall discuss that question a little further as I proceed. I have already taken more time than I intended.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for a question for my information?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. Is there an income tax, under the existing rates, on any of the classifications which would be reached by the Senator's amendment?

Mr. LA FOLLETTE. Before the Senator came into the Chamber I tried to explain that it is difficult to say there are no specific levels of income set in this amendment. But when we appropriate \$500,000,000 we shall know approximately where the level will be. It will be at about \$1,100 for a family, and at about \$350 for a single person.

Mr. VANDENBERG. So there would be income taxes to be paid by some of the beneficiaries under the Senator's amendment; would there not?

Mr. LA FOLLETTE. Yes; but it would all depend on how many dependents there were in the family.

Mr. VANDENBERG. I understand.

Mr. LA FOLLETTE. We are dealing with averages here, but certainly not, so far as any single person is concerned. Since many of the families in this group tend on the average to be greater in size than those of the higher-income levels, I doubt that what the Senator from Michigan has referred to would be the case, but there might be such cases.

Mr. VANDENBERG. I was wondering whether the problem the Senator poses could be reached through the income-tax law.

Mr. LA FOLLETTE. Mr. President, a 5-percent roll-back on a pound of butter will not solve the problem of the war worker who must pack up his belongings and move across the country to a strange city, pay outrageous prices for a room or some makeshift of a home for his family, where transportation is difficult and expensive, and where doctors' bills are high because of sickness and disease in

crowded communities. A 3-cent roll-back on meat is no compensation for the disappearance of the inexpensive grades of work clothes from the store.

A roll-back on peanut butter does not compensate the working mother for the cost of providing care for her child at home, or the railroad man who is spending practically all his time on the road away from home, sleeping and eating away from home in order to do his part in this Nation's war emergency, or the coal miner who may be at the mercy of the company commissary.

Mr. President, it is neither possible nor necessary to attempt a general subsidy program to guarantee to everyone the same standard of living which he may have enjoyed on any given date, whether it be January 1941 or September 1942. War, as I suggested a moment ago, will cut into the Nation's standard of living. That fact will be inevitable. It is a part of the cost of war to the individuals of a nation which participates in the war. Dislocations in the economy resulting from a war are bound to bring the need for adjustments in prices and wages.

I emphasize that, Mr. President, especially in view of the fact that we have launched on a course of deficit financing for this war on a scale never known before in the written history of the world. That is where the inflationary potential lies. It is our great problem. We can subsidize until we are black in the face and we shall never either solve the problem of holding the line, nor solve the problem of dealing with the persons who have been cruelly disadvantaged by the war.

Do not forget that the President has been the victor in the subsidy battle up to date. To hear some of the officials from the O. P. A. and elsewhere talk one would think that Congress had cramped and crippled their style in administering subsidies. As a matter of fact, the President won the battle on subsidies. The administration has been given every dollar it asked for, and it has not been able to hold the line. I cite that fact as additional proof that subsidies are not the crux of this matter, and that a proper, a vigorous, and a courageous enforcement of the powers now within the hands of the O. P. A. would be effective in controlling prices, and in regulating the economy of the United States during the war.

The saddest day for America on the home front was when someone sold the administration a bill of goods, namely, the idea that it could freeze the economy of this country, with all its complexities, and engage in a global war, in which it is now pouring out the resources and substance of the Nation, and which it has largely financed out of deficits, and still could hold the line. The officials of the Government had to give way. They are faking when they say they have held the line, if they do say that. They have not held the line. They have not held the Little Steel formula, subsidies to the contrary notwithstanding, and they have received every dollar for subsidies for which they asked. Yet they try to tell the people that subsidies are the keystone of the price-control and price-

stabilization arch in America. If that be true we had better get someone else to administer the act.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. WHERRY. The administration received more than it asked for; did it not? It spent the money on small roll-back subsidies which were not legally authorized. Is that not true?

Mr. LA FOLLETTE. Mr. President, I shall not enter into a legal argument as to whether the Congress was slipshod in the way it framed the Price Stabilization Act. The Administration officials claim, and the Attorney General has given them opinions to that effect, that Congress gave them the authority to do what they did. I do not think Congress ever intended to give them such authority, but that is beside the point. I am trying as best I can in my feeble way to concentrate the argument on the question of high national policy.

A moment ago I made the statement that we should get someone else to administer the act. I am a great admirer of Mr. Bowles. I count him as one of my personal friends. But I assert that if he has decided to pin the hopes of America on subsidies in order to prevent a runaway inflation, in which there will be a flight of money into goods, he should get out and let someone handle the situation who can successfully prevent inflation. I assert here and now that subsidies will fail if they are relied upon as the major instrumentality for accomplishing the objective which every thinking American knows must be accomplished.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. So that there may be no misunderstanding, I should like to point out now—and in doing so I express my own feeling as well—that Mr. Bowles has said time and time again that his feeling toward subsidies was one of accepting the lesser of two evils. That is how many of us feel about it. We do not like subsidies. We deplore them.

Mr. LA FOLLETTE. Mr. President, I assert that a reading of Mr. Bowles' testimony indicates that he regards subsidies as one of the major factors in the price-control program. I state also that if that be true, his administration will go the way of all flesh like every other administration which has been in the Office of Price Administration. It is doomed to failure, Mr. President; first, because, as I have already said, if we go down the road of subsidies we must go down to the end, and that means the subsidization of the entire economy insofar as it relates to the cost of living.

They are not going down that road; they cannot get there; because they will have a fight with Congress every time they try it; even if they won the fight as a result of a veto and our inability to pass the bill over the President's veto, and even if they should get what they are asking for now, \$1,500,000,000, it would not be a drop in the bucket; it would not do the job.

The line has already been broken. It was broken as a result of the coal strike; it was broken as a result of the railroad strike, which was, so far as the Government is concerned, one of the worst bungled jobs in my entire experience in public life. But when it was over the line was broken. Now, what is the use of trying to fool the American people any longer?

I do not say the administration broke the line because they wanted to. They broke the line because it is impossible to hold a hard and fast line in a wartime economy where huge expenditures are being made by Government and a large percentage of them through the medium of deficit financing.

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. Time and again in this debate and in other debates we have heard the statement made that we have not held the line. I cannot quite understand the purpose of the constant iteration of that statement. Could it possibly mean that someone believes that we should disband our forces and should try to repair the line?

Mr. LA FOLLETTE. That would be just as ridiculous as to continue to say the line is being held when it is not. The alternative to holding the line is not a runaway inflation; it is not an uncontrolled price structure; and the very law itself gives power, which, if properly, vigorously, and courageously exercised, will prevent that very thing.

But I will say that by yelling until they were black in the face about holding the line, by exaggerating the importance of subsidies they have created an ominous psychology in the public mind.

Mr. MALONEY. Does not the Senator think that the psychological situation with which we are confronted is important? I do.

Mr. LA FOLLETTE. Yes, but I do not believe that the way to cure a psychological condition is to let it continue and do nothing to stop it. If some people would be more frank, and if they would be more honest in evaluating the relative insignificance of the subsidy program, that psychology would disappear. But the administration wants to cure it by pumping another small hypodermic of subsidies into the economic system. That will not cure the thing the people are now worried about; it will not help the disadvantaged groups, and in the end it will not help the psychology of the American people.

Mr. REED. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Kansas.

Mr. REED. I think the Senator from Wisconsin and myself are in entire agreement in the expressions I have heretofore made on this floor, that there is very small, if any, connection between subsidies and holding the line, and that, after all is said and done, the big factor in controlling prices is the power already given to establish maximum prices and to ration an inadequate supply of a commodity as between consumers. I

think the Senator from Wisconsin agrees with that, does he not?

Mr. LA FOLLETTE. Yes; I agree in general with that statement. Now I wish to hasten along.

Mr. President, I think organized labor has made one of the most tragic mistakes in its history in tying its hope for the alleviation of distress among its membership to the subsidy program. Labor is doomed to tragic disappointment in this respect. They now entertain the hope that they can get subsidies and break the Little Steel formula completely at the same time. In the long run, Mr. President, I do not believe that the Congress will ever accept such a proposition or consent that they shall have their cake and eat it too. As I have already demonstrated, the effect of the subsidy program is so negligible in assisting the consumer in meeting the increased cost of food that labor will be pulverized as a result of its blind advocacy of the subsidy program.

Mr. President, I repeat, the resort to subsidies proves that the line cannot be held with regard to prices, and the breaches of the Little Steel formula which have been made whenever the pressure became sufficiently strong completely demonstrate that the wage line cannot be held.

The moment anyone says the wage line cannot be held he is accused, by misrepresentation, of advocating wild and uncontrolled inflation. Mr. President, I deny that. I say that today the power is in the hands of the O. P. A. and the administration to control the price structure of this Nation. I say, furthermore, that it is not desirable nor should it be a concern of Government to subsidize consumers who are not in the low-income group and who are able to pay a reasonable and a fair price for their food. The subsidy program works in inverse ratio to the sound policy of income taxation. The subsidy program benefits least those who are in the lowest income groups and it benefits most those who are in the higher income groups.

The keystone of economic stabilization is and must be in the future compounded of the elements of price control through maximum price ceilings, rationing, a sound, over-all tax and fiscal policy, and more effective administration and enforcement of these controls.

Stabilization of food prices is traceable to such developments as the establishment of specific dollars-and-cents ceiling prices, the first of which became effective May 10, 1943. I am sorry I cannot show the graph which appears on page 98 of the hearings, but if Senators will draw a line on May 10, 1943, when the specific ceilings on food prices went into effect, they will find that it is the point at which the cost-of-food index in the United States began to level off. The advance of food prices slowed down, as indicated on this graph, as farm commodities reached parity-price levels and became subject to ceilings.

The chief cause of increase in the food index last winter and spring was the uncontrolled rise in the prices of fresh fruits and vegetables. To show this, I

wish to call attention to the fact that on January 15, 1941, the cost-of-living index stood at 100.8; on May 15, 1942, at 116; September 15, 1942, at 117.8; April 15, 1943, at 124.1; May 15, 1943, at 125.1; December 15, 1943, at 124.4.

Now, consider the food index for 1943. In January all foods stood at 133; fresh fruits and vegetables at 147.1.

In February all foods stood at 133.6; fresh fruits and vegetables at 152.8.

In March all foods stood at 137.4; fresh fruits and vegetables had gone to 172.9.

In April all foods stood at 140.6; fresh fruits and vegetables went to 191.1.

In May all foods stood at 143; fresh fruits and vegetables were up to 205.8.

In June 1943 all foods had dropped back to 141.9; fresh fruits and vegetables to 202.

In July all foods stood at 139; fresh fruits and vegetables at 192.9.

In August all foods stood at 137.2; fresh fruits and vegetables at 179.4.

In September all foods stood at 137.4; fresh fruits and vegetables at 175.8.

In October all foods stood at 138.2; fresh fruits and vegetables at 174.9.

In November all foods stood at 137.3; fresh fruits and vegetables at 170.

In December all foods stood at 137.1; fresh fruits and vegetables at 171.5.

Mr. WILEY. Will my colleague yield?

Mr. LA FOLLETTE. I digress long enough to say, however, that this rise in the prices of fresh fruits and vegetables was not because of any failure of Congress to provide the O. P. A. with power to put price ceilings upon these commodities. It was not the fault of Congress that that particular branch of the food line climbed out of all relation and proportion to the rest of foods.

I now yield to my colleague.

Mr. WILEY. My colleague has anticipated my question. He has taken the position, which I think is the correct one, that O. P. A. has had ample power to control prices, but has fallen down on the job. As I understand the table he has just read, it demonstrates to anyone who is impartial in trying to get at the facts that it is correct to say that O. P. A. had the power, Congress gave it the power, but O. P. A. fell down on the job in exercising the power. Am I correct in that conclusion?

Mr. LA FOLLETTE. Mr. President, I do not care to make any sweeping denunciation of O. P. A. I think that on the whole the O. P. A. has been quite successful in holding prices within control. I do think, however, that they have made a great mistake in pinning their faith on subsidies, and I think any continuation of that policy is doomed to tragic failure.

We should not overlook the fact that their failure to exercise power for one reason or another with regard to fruits and vegetables had the effect of distorting the cost-of-living index to the extent which its weighted value has in that relationship.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. DOWNEY. I make no complaint about what the distinguished senior Senator from Wisconsin has just said, but

I think, in view of the conclusions attempted to be drawn by the junior Senator from Wisconsin, a statement from me is in order.

A very large proportion of the foods produced in the United States come from California and the Pacific coast. A substantial amount of vegetables comes from California and the Pacific coast. Due to the very extreme demand for labor on the Pacific coast in war work, the farmers were compelled to double and treble the wages they had been paying to the farm workers. Farm wages in California almost reached equality with the wages of industrial workers, and were two or three times as much as the average elsewhere in the United States.

The distinguished senior Senator from Wisconsin himself has carefully and exhaustively reported upon conditions in California when very low wages were paid to farm workers. Now, very high wages are being paid. It was clearly due to that fact that the O. P. A. was compelled to allow very high prices for fruits, and to a lesser extent for vegetables.

Mr. LA FOLLETTE. But the figures which I have cited will show that they permitted them to get away out of line before they ever imposed the restrictions, and Mr. Carroll, from Mr. Bowles' office, if my memory serves me correctly, indicated that he acknowledged that to be true.

Mr. AIKEN. Mr. President, will the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. Let me also state that the high prices which the consumer had to pay for fruits and vegetables during that period were in a large measure due not only to the fact that the farmers of California had to pay higher wages to labor, but there was also a terrific and almost uncontrolled middleman's profit for a long time.

Mr. LA FOLLETTE. Mr. President, that brings me to another point which I wish to make; namely, that the farmer has been very unfairly treated, so far as the public discussion over the radio and in the press is concerned in this controversy. All too often there is not any recognition in such discussion of the fact that the spread between the price which the farmer receives for his product and that which the consumer has to pay is one of tremendous magnitude. Instead of the consumer's attention being directed by these high-powered information gentlemen who are on the administration's pay roll to this great spread between the price which the farmer receives and the price which the consumer has to pay, the consumer's attention has been directed at the farmer, as if he were responsible for the fact that we have to pay 70 cents a dozen for eggs in Washington, whereas they have been selling on the farms in Wisconsin for 24 cents.

Mr. President, I do not make this charge, but I ask the question, Have not subsidies been the road of least resistance so far as the O. P. A. is concerned? Is it not easier to subsidize the product than it is to squeeze out exorbitant and extortionate profits which may be made

between the time the goods leave the hands of the farmer and arrive in the hands of the consumer?

I have some studies here. I am not at liberty to give the source of this information, but I wish to read briefly a summary of the profits of meat packers, 1936 to 1942.

Compared with average earnings in the years 1936-39, profits before income taxes have risen more for meat packers than for most other food groups. Aggregate profits in 1942 of 53 companies were over 4 times the pre-war level on only 83 percent higher sales. Gains over the base period were greater for packers with 1942 volume ranging from five to fifty million dollars than for larger concerns, and were smallest for companies reporting sales of less than \$5,000,000 each.

For all 53 companies, the profit per dollar of sales rose from 1 cent in the pre-war period to 2.4 cents in 1942. The return more than doubled for the large and tripled for the medium size, but declined for the small packers. In the base years, however, the small concerns had averaged 2 to 4 times as much on sales as the others.

On each dollar of capital invested in the 53 companies, the return in 1942 was three and one-half times the 1936-39 average. In the base period almost half of the companies averaged less than 5 percent on invested capital, while in 1942 more than half realized at least 10 percent. In this instance, all groups participated in the rise, although not to the same extent. The small packers averaged three times as much as the medium size in the base years, but less than two-thirds as much in 1942. The large companies did only half as well as the small in the prewar period, but over one and one-half times as well in 1942. The greatest changes occurred from 1941 to 1942.

Seven out of every 10 packers earned more in 1942 than in the years 1936-39, and 6 out of 10 reported gains over 1941.

Wholesale food grocers realized twice as much on every dollar of sales in 1942 as in 1939. Sales were up 43 percent, but profits before income taxes rose over 200 percent. The larger companies showed the greater increase in sales, but the smaller concerns reported the greater increase in profits. From 1939 to 1942, profits before taxes of companies with sales under \$5,000,000 rose 250 percent, compared with less than 200 percent for companies with sales of \$5,000,000 and over.

Profits before income taxes of fruit and vegetable canners were five times as great in 1942 as in the years 1936-39, on less than twice the pre-war volume of sales. Their increase in profits exceeded that of any other food group, and of all nondurable manufacturing industries except textiles.

Profits expanded 5 times as rapidly for small as for large canners, although the gain in sales was about the same for both. Companies with individual volume under \$5,000,000 realized 16 times greater profits in 1942 than in the base years, while larger concerns reported only a threefold gain. More than half of the small canners had profits in 1942 10 or more times the pre-war average, and two-thirds reported increases in excess of 500 percent. Among the larger concerns, only one realized a gain of more than 500 percent.

Mr. President, of course, I am not opposed to the processors and the distributors realizing a reasonable profit, and I do not have the figures for 1943 which are comparable, but I simply raise the question as to whether subsidies are not

the easier way, so far as the administration is concerned, rather than exercising its power to shrink down the margins to where they will produce a reasonable profit? Congress did provide that the O. P. A. should not disturb normal business practices, or words to that general effect, but it never intended to permit the realization of unconscionable profits.

Within the frameworks of a stabilization policy based upon the factors which I have outlined there would be means of price adjustments where necessary to meet production costs, wage controversies could be settled on their merits, labor would not have the Little Steel formula hanging around its neck. I say that because in my opinion the Little Steel formula has lost all validity and reality, and the fact that the administration itself has had to breach it proves my point.

Whatever financial aid the Government can afford in relieving the cost of living could be concentrated and should be concentrated on the low-income groups where it is needed most and could accomplish some tangible results. So far as the people who are injured most seriously by this rise in the cost of living are concerned, the subsidy program is a total and a complete failure. The fire, Mr. President, if I may use a poor analogy, is in the basement, but we are squirting a feeble stream of water on the roof of the building.

I am not interested, as I indicated at the outset, in the barrage of statistics which are thrown up first by one side and then the other in an effort to show how much better labor has fared in the war economy as compared with the farmer, or vice versa. Labor and the farmer in the long run will prosper together or go down to ruin together.

Our wartime experience should drive that point home. It is the fact, as stated by the War Food Administration, that under present wage scales in this country every pound of our tremendously accelerated food production would have been absorbed here at home as the result of increased buying power. The one thing I do regret, Mr. President, is that individuals on both sides of this controversy have sought to drive a wedge, to create hostility between labor and the farmer, whereas, as every student of this economy knows, they must ultimately go up together or go down together.

The events of the last 3 years have proved that if the workingman is getting a good wage he can buy all the food the farmer can produce. The per capita consumption of agricultural food products in 1941 was 11 percent higher than the 1935-39 average for the civilian population only. In 1942 it was 8 percent higher, and in 1943 it was 4 percent higher.

To labor, the consumer subsidy program of the administration will prove a sham and a delusion. It is being used to tie labor to a lifeless and outmoded Little Steel formula, and it is giving no significant aid in return.

To the farmer it is an unbearable fraud, for it seeks to avoid public recognition of fair and necessary prices, something that is bound to rise to plague the

farmer in later years when the statisticians go to work to belittle his distress by comparing 30-cent butter with 41-cent butter, instead of 46- or 50-cent butter, which is the real price in these times.

Mr. President, we will have to extend this subsidy program, in all fairness and justness, unless some other alternative is found; and I say it will rise to plague every industry, including agriculture, to which it is applied, in the difficult period of the post-war adjustment.

As an alternative, I believe all patriotic Americans can unite on a program of fair treatment for all producers, and of Government assistance to those who need it most, to avert severe hardship among the low-income and fixed-income groups.

Mr. President, I say that in the amendment proposed by the Senator from Vermont [Mr. AIKEN] and myself, we have a constructive, workable program. It was tried in part for several years, and proved its value. I think it is essential that we make some constructive answer to this problem. I fear more than I dare to phrase in words the growing chasm which exists on the eve of our most supreme war effort, between Congress and the Executive. I say it is time for both sides to give some ground. I saw the ridiculous spectacle here yesterday when those who had voted for \$1,500,000,000 of subsidies refused to vote for \$980,000,000. I know what is afoot, Mr. President. I know that it is intended to make this a political issue, just as the administration intends to make a political issue of all the differences which exist between the Congress and the Executive on other great questions confronting the people today. Congress should not contribute to this political purpose of the administration. Congress should propose a constructive alternative, a majority of both Houses having determined on abandonment of the subsidy program. Embodied in the amendment offered by the Senator from Vermont and myself is a workable, tried solution for the most crying phases of the problem created by the cost-of-living increase.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. HOLMAN. As I understand the amendment offered by the Senator from Wisconsin and the Senator from Vermont, the authorization is \$500,000,000. That represents the maximum amount which the Congress could appropriate under the amendment. The exact amount which will be appropriated remains to be determined and recommended by the Appropriations Committee. Is that correct?

Mr. LA FOLLETTE. The Senator is correct about that.

Mr. President, let me say that we have reached a point in this war where it is of vital necessity for the effective continuation of the war that when we reach these impasses between the position of the Executive and that of the Congress, we should work out some constructive solution which both can accept. We should not permit the problems to

go unsolved solely for the purpose of making them issues in the Presidential campaign of 1944. Even if the Executive does not desire to see this country united and held together, even if his policy tends to tear groups in this Nation asunder on the eve of the greatest military effort in all history, I say that does not relieve the Congress of its responsibility.

Therefore, Mr. President, I have joined with the Senator from Vermont [Mr. AIKEN] in presenting the program embodied in this amendment, because I believe it represents an opportunity for a constructive solution of the most pressing aspects of the present problem.

To follow any other course will produce chaos in the price-stabilization program with inadequate food production on one hand and grave consumer unrest

on the other. We need constructive leadership instead of jockeying for political position at the expense of the welfare of the American people.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. I simply desire to clarify one thing about the amendment. One Senator has asked me in regard to section 303 and section 308, which apparently are in conflict. I wish to say for the benefit of Senators present that section 303 was stricken from the amendment yesterday. That was one which had no restrictions on the amount to be authorized. Section 308 remains in the amendment, and authorizes a limit of \$500,000,000.

Mr. LA FOLLETTE. Mr. President, I yield the floor.

EXHIBIT A

TABLE 5.—Distribution of families and single consumers by money income level, 1942¹

Income level ²	All families and single consumers		Families		Single consumers	
	Number	Percent	Number	Percent	Number	Percent
Under \$500.....	3,488,000	8.5	2,319,000	6.9	1,169,000	14.9
\$500-\$1,000.....	6,652,000	16.1	4,604,000	13.8	2,048,000	26.1
\$1,000-\$1,500.....	6,601,000	16.0	4,837,000	14.5	1,764,000	22.5
\$1,500-\$2,000.....	6,008,000	14.5	4,920,000	14.7	1,088,000	13.8
\$2,000-\$2,500.....	4,618,000	11.3	3,953,000	11.9	665,000	8.5
\$2,500-\$3,000.....	3,272,000	8.0	2,852,000	8.5	420,000	5.4
\$3,000-\$4,000.....	4,620,000	11.2	4,236,000	12.7	384,000	4.9
\$4,000-\$5,000.....	2,633,000	6.4	2,486,000	7.5	147,000	1.8
\$5,000-\$7,500.....	1,901,000	4.6	1,803,000	5.4	96,000	1.2
\$7,500-\$10,000.....	628,000	1.5	597,000	1.8	31,000	.4
\$10,000 and over.....	789,000	1.9	751,000	2.3	38,000	.5
All levels.....	41,210,000	100.0	33,360,000	100.0	7,850,000	100.0

¹ See table 4, footnote 1.

² For finer break-down of income levels, together with aggregate and average income at each level, see report, Distribution of Civilian Income, 1942 and 1943.

THE COAL SHORTAGE

Mr. MALONEY. Mr. President, I desire to make a brief statement relative to the coal situation.

The Special Committee Investigating Fuel Shortages, of which I am chairman, has for some time been following the coal situation. During last fall we held hearings at which it was developed that the coal situation would be extremely serious this winter, but that we could expect to come through all right if there were no further labor difficulties, and if consumers tightened their belts just a little. At that time the Solid Fuels Administrator stated that rationing would not be necessary this winter.

Since then the Government has again taken over the operation of the coal mines and the labor situation has not materially improved. The committee determined to suspend hearings in order to enable the Administrator to work out his problems without undue interference. But we followed developments carefully and continued to keep advised of the facts.

At the present time the committee is convinced that it is necessary to reexplore the entire subject in detail. The Office of Price Administration has announced that it is working on a rationing plan for solid fuels, although no determination has yet been made to ration coal. Even this year many consumers have had to submit to informal ration-

ing under orders of the Solid Fuels Administrator limiting deliveries.

The production of coal has not kept pace with steadily increasing consumption. It is usual for production to fall below consumption during the heating season but in past years stocks have been replenished during the summer and fall. This year, however, stocks have steadily declined due to a number of factors, of which the most serious is a shortage of manpower. The decline in coal stocks is expected to continue during 1944.

It should be pointed out that this situation exists despite a slight increase in total production of coal for 1943 over the total production for 1942. But there has been an over-all decline in anthracite production. This decline is serious because there has been a trend to production of anthracite for industrial use at the expense of domestic consumers. In the bituminous fields increased demands have outstripped the increased production.

This committee has shared the reluctance of the Solid Fuels Administrator and of the greater part of the industry to see any coupon rationing of solid fuels. As in the case of fuel oil, a rationing system would probably have the effect of placing limits on deliveries. This in turn would greatly burden transportation facilities and increase the load on available manpower. It would probably discourage adequate stock piling during the summer months. Rationing would also

be unwieldy and cumbersome to administer. The many different sizes and types of solid fuels would have to be treated separately, and the resultant regulations would probably be complex and burdensome. Nevertheless, a preliminary study made by the committee raises a serious question that the solid-fuel supply for the next heating season will be considerably less than the demand.

The committee will continue hearings for the purpose of exploring further every possible means of increasing production and averting the necessity for rationing. We will consider the manpower question, the possibilities of mechanization, the transportation situation, the administration set up, and other relevant problems. In the event that we must have rationing, the committee intends to explore fully the difficulties so that the Congress will be well advised before hand of the problems which are likely to arise in the future.

In one most serious respect the committee has suffered a serious setback. In the future it will be severely handicapped by the loss of Senator W. Warren Barbour. Senator Barbour, in his work with our committee, as in his other senatorial functions, made an irreplaceable contribution. There cannot be any substitute for his energy, and his judgment, and his interest in our problems. Perhaps our need, and therefore our loss, is not as great as that of the important standing committees to which Senator Barbour so greatly contributed. But we will miss him as much as any.

I hope the President of the Senate will be able to appoint another member to carry on for Senator Barbour as soon as possible so that the committee can enter into its important work on the coal situation with a full membership.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

Mr. BUSHFIELD obtained the floor.

Mr. HOLMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from South Dakota yield for that purpose?

Mr. BUSHFIELD. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Hayden
Andrews	Clark, Idaho	Hill
Austin	Clark, Mo.	Holman
Bailey	Connally	Johnson, Colo.
Ball	Danaher	Kilgore
Bankhead	Downey	La Follette
Barkley	Eastland	Langer
Bilbo	Ellender	Lucas
Bone	Ferguson	McClellan
Burton	George	McFarland
Bushfield	Gerry	McKellar
Butler	Gillette	Maloney
Byrd	Green	Maybank
Capper	Guffey	Mead
Caraway	Gurney	Moore
Chandler	Hatch	Murdock

Murray	Shipstead	Wagner
Nye	Smith	Wallgren
O'Daniel	Stewart	Walsh, Mass.
Overton	Thomas, Idaho	Walsh, N. J.
Pepper	Thomas, Okla.	Wheeler
Radcliffe	Thomas, Utah	Wherry
Reed	Truman	White
Revercomb	Tunnell	Wiley
Reynolds	Tydings	Wilson
Russell	Vandenberg	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

The Senator from South Dakota [Mr. BUSHFIELD] has the floor.

Mr. BUSHFIELD. Mr. President, for a number of years I have known both sponsors of this amendment. The Senator from Vermont [Mr. AIKEN] is one of my dearest friends. I regard him most highly because I know of the type of work which he has done, not only in this body but before he came here as a Senator. The distinguished Senator from Wisconsin [Mr. LA FOLLETTE] made a marvelous speech today in presenting his cause. For the most part I concur completely with him in everything which he said except his conclusions.

Mr. President, if this amendment, which, much to my regret, I am forced to oppose, were not so sinister in its implications it would be fantastic. If we control the people's food we control the people themselves. In my opinion that is exactly what the effect of the pending amendment would be. It would result in complete control and regimentation of the people of the country.

I recall all too distinctly what a sigh of relief went up throughout the country when we finally heard from Washington that the W. P. A. had been abolished. The people themselves were relieved, because the larger percentage of those who had benefited by the W. P. A. never believed in it, and longed for the day when it would cease to exist.

The proposal of the Senator from Vermont and of the Senator from Wisconsin can be interpreted in no other way, Mr. President, than to reestablish a glorified W. P. A. That is what it means, no matter what fancy language it may be dressed in to take care of the occasion.

It is proposed to appropriate \$500,000,000 in order to buy food stamps to distribute throughout the country to a group which has been called the low-income group.

Within the past 2 days, by overwhelming majorities, the Senate has voted down proposals of a similar nature. This amendment provides for nothing more nor less than a subsidy under another name. Are we to reverse ourselves and approve a subsidy because it has been given a fancy name and a fancy description?

Mr. President, I regret that I have had to say these things about the amendment proposed by the Senator from Vermont, but I am forced to do so because a few years ago I lived through an era similar to the one which would result from the adoption of this amendment, and I do not wish to experience it again.

I do not like Santa Claus in politics, no matter whether such a situation existed during the past 10 years or will exist during the next 10 years, because Santa Claus has too many friends.

Let us consider this amendment briefly and a few of the provisions it contains.

For the first time in our history it is proposed not only to regulate but to define the kind and quantity of food we shall eat. It reminds me of Karl Marx, who made the sage comment years ago, "When you control the people's food, you can control the people." The provision to which I have referred in the amendment would prescribe the amount of food to be allotted to us, the kind of food we shall have, and there would be a course of education given throughout the country, if you please, on improving our eating habits. That is what the amendment calls for; that is what it provides.

I invite attention to another provision on page 11. I do not know whether Senators have noticed it, as it is apparently an innocuous provision which might be passed over lightly at first. I refer to the section at the top of page 11, which reads:

The Director shall provide by regulation a simple method for the registration of mercantile establishments selling food and food products.

Do Senators realize what that means? It means that every merchant in this country, every little cross-roads grocery store, or food store, will be registered and licensed by the Federal Government, and if we ever turn over the food distribution—

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BUSHFIELD. No; I shall not yield now.

Mr. AIKEN. I was about to tell the Senator that food distribution is absolutely not to be turned over to anyone, and he knows it.

Mr. BUSHFIELD. It is provided for in the amendment. If it is desired to turn the distribution of food over to some bureau in the Federal Government it can be done under this amendment containing, as it does, a provision that every food dealer shall be licensed by the Federal Government. It is provided that only those dealers who take in stamps shall be licensed or regulated. The Senator comes from a State similar to mine. Both States are filled with small towns and small communities. The merchants of those small towns and communities almost fight each other in order to get hold of the food stamps because they cannot exist unless they have that kind of business.

There is another section to which I wish to call attention. I refer to section 201 (a) under title II. We are assured by Senators that no new Federal employees will be added to the pay roll to administer this amendment. I recall very distinctly that within 6 months after the O. P. A. had been created it had 55,000 employees on the public pay roll. However, under the provisions of this amendment, even though we use existing committees throughout the States and counties, "the Director may appoint such employees as he deems necessary in order to carry out his functions and duties under this act and shall fix their compensation." Every one of those employees will be on this new pay

roll, and the new bureau, of course, will be under the control of the Director.

In title II, section 201, at the bottom of page 11, we find this interesting qualification:

In the appointment, selection, classification, and promotion of officers and employees, no political test or qualification shall be permitted or given consideration.

In that connection I wish to call attention also to the provision in section 8, on page 7, which reads:

DISCRIMINATION PROHIBITED

SEC. 8. There shall be no discrimination against any household with respect to eligibility, classification, participation, or issuance or utilization of food-allotment coupons under the provisions of this act by reason of race, religious creed, national origin, citizenship, political affiliations or beliefs—

And so forth. I do not believe that the American people or the Members of this body are so naive as to believe that sort of a provision will be observed and that there will be no discrimination. I lived through one era of this sort of political relief. I saw it operate, and I know what it does to the recipients. I know how the administrators themselves operate. I do not want to see return to this country such a condition as prevailed in that era. It may be said, "Oh, well, the people proposed to be benefited are entitled to relief and to receive a few food stamps and go to the grocery store and get the groceries they need." Senators, listen: In the West a few years ago there was a prolonged and serious drought; thousands upon thousands of people were on relief, and the relief afforded at that time was supposed to be absolutely nonpartisan; there was to be no politics in it. Yet what happened? With half the population of some of the prairie States on relief, the great humanitarian sat here in the White House and uttered his platitudes about what he was doing for the poor, but his henchmen in my section of the country traveled, from door to door, if you please, and from road camp to road camp, from work camp to work camp, carrying pockets full of buttons of the administration which was then running for office, pinned the buttons on the workers and left them with the very definite impression that their relief would not be continued unless they saw the light on election day.

In the midst of that drought no crops were raised, the farmers had no feed for their livestock, and men with families were working in road gangs or relief crews. I have no objection to taking care of those whom the Government should take care of; but I do object most emphatically to the manner in which relief was administered. I will give an example of what was done. As I have said, the relief agents traveled around from house to house, and when they met a woman, perhaps with a half a dozen children around her skirts, they left her with the feeling, whether justified or not—and she thought it was—that if her husband and she did not vote the ticket the agent represented, the relief check would fail to come to their door the next month. I do not want to see that kind of thing again happen in this country, whether in the East or in the West.

Gentlemen may utter all the platitudes they care to about there being no discrimination, but unfortunately things are not operated in just that way in this country when politics is at stake. Every Senator on this floor has been through that sort of thing and knows what it is.

My State is primarily a farming State. It is the home of Hereford cattle in the Northwest. Our Hereford herds all over the State had been built up for years; they were magnificent cattle, with splendid sires; but when the drought hit us what did the Federal Government do to impress upon our cattle growers and farmers its power, its influence, and "what have you?" They offered the owners of the Hereford herds from \$7 to \$21 a head for purebred and almost purebred cattle, and then to impress our people they brought herds of Hereford cattle and milch cows into almost every little town in the State, drove them to the edge of the town, shot them, and rolled them into a ditch—and that at the time when people all over the country were crying for meat and food! That is the type of thing that went on. I am not saying that any other party would not do the same thing if it had a chance, but I do not want to see such things again made possible in this country.

One day into the town where I live a herd of fine white-faced cattle had been driven, which had been bought for \$7 a head. A bunch of W. P. A. workers had dug a huge pit on the edge of the town. A man came to my office and said, "Do you know they are killing cattle here?" I said, "No; I am going out to see about it." They slaughtered 200 head of those cattle that day, and rolled them into the pit, when the people of this country were crying for meat and for food. That is on a parallel with the fantastic story about the slaughter of millions of little pigs, but I saw what I have described with my own eyes. I protested and said, "Those cows are milk cows; there are people who could use that milk." The udders of the cows were filled with milk—the man in charge said, "This is none of your business; I am following orders." So the cattle were slaughtered and rolled into the pit. I, as one Member of this body, do not want ever to see such an incident repeated. I do not want any party or any administration to be tempted to use that kind of method to influence the voters of the various States.

Mr. President, the pending amendment also provides that the Director or Administrator shall make report to Congress. One of the fantastic provisions is that the Director must show to the Congress why all the eligibles did not use the food stamps. What business is it of the Director or anyone else in this country if I, John Smith, Bill Smith, or someone else does not want to use the stamps? I do not know; but that is in the amendment, if you please, Senators. It looks very much to me as if food stamps were going to be forced upon people whether they wanted them or not.

It is provided in the amendment that \$500,000,000 may be used to operate the food-stamp plan. Let me call attention to what the Department of Agriculture,

at the other end of the Avenue, says about it.

Grover B. Hill, First Assistant War Food Administrator, of the Department, estimated in a letter to the Senate Agriculture Committee that the cost of a stamp program as outlined in a bill introduced by Senator AIKEN, Republican, of Vermont, would be around \$3,000,000,000 annually if all eligible families took advantage of it.

He explained the estimate did not mean the War Food Administration was recommending the appropriation of any specific amount, but was based on statistics showing 18,000,000 families are receiving less than \$2,500 a year in income.

Mr. President, I do not know where the Department of Agriculture or the statistician or anybody else got the fantastic notion that anyone in this country who does not earn \$2,500 a year is in the low-income group. Good Lord, half the people of the States of the Middle West, indeed almost 90 percent of them, do not earn \$2,500 a year. Are we going to say under this amendment that everybody living in South Dakota and North Dakota, Nebraska, Kansas, and Iowa are in the low-income groups, and that we ought to pay their grocery bills out of the Federal Treasury?

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. BUSHFIELD. I can speak on the bill, can I not?

The PRESIDING OFFICER. The Senator from South Dakota has 20 minutes on the bill.

Mr. GUFFEY. Mr. President—

Mr. BUSHFIELD. I am almost through, and I prefer not to yield for the present.

The PRESIDING OFFICER. The Senator from South Dakota declines to yield.

Mr. BUSHFIELD. Mr. President, I shall take only a moment or two more. I do not want to be misunderstood in what I have said today. If there is anyone in this country who is entitled to assistance, I want to see him helped; but I want to meet that issue face to face. I do not want to have it tacked into the tail of a justifiable bill which we are trying to pass in this body. I want to meet the issue of need if and when and where it arises, and allow the necessary supplies to go to the groups which may need them.

It will be said, "Oh, you do not understand the situation." Let me say that I do understand the situation, and that is why I am so intense about this matter. My father and mother went into Dakota when it was still a Territory. There were thousands and thousands like them who went into that section on foot, on horseback, in covered wagons, who took up homesteads on the prairies of our State. My father and mother built a board shack for their homestead claim, and covered it with tar paper. That is the kind of house in which their babies and many other babies were born on the prairies in that section of our country.

Those men and women, who came from all parts of the Union to the prairies in those days, faced savage monsters of

weather, hardship, and privation, which are hard for us of today to understand. But I say that those who came to the prairies and built their homestead shacks and raised their babies there, who made roads, built churches and schools and towns, and made a great State out of my State and all the other prairie States, neither asked nor expected the Federal Treasury to pay their grocery bills. I say that in all solemnity and earnestness.

Mr. President, before I leave that subject, I wish to add that the West was not settled or built by food stamps at the cost of the Federal Treasury. I want to face the issue of relief squarely when it comes before us, and if the proponents of the amendment are able to satisfy this body that any particular group needs help, I shall be for extending assistance as quickly as will any other Member of this body. But I oppose placing 20,000,000 American citizens under obligations to a director of a Federal bureau who would dish out food stamps to them every month. Inevitably, I care not whether my party or the other party were in control of the Government, the man who handed out the stamps would leave the impression with the recipients of the stamps that he would like to have them vote his way when election time came.

Mr. President, I have heretofore made some remarks on this subject on the floor of the Senate, which were also broadcast by me over the hook-up of the National Broadcasting Co. a few weeks ago, and I ask unanimous consent to incorporate those remarks in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, "if food and other necessities of life are adequate in quality and variety, and if men are free, there will be industry. If savings are secure from confiscation and debasement, there will be thrift; and an industrious, thrifty people make a prosperous and rich nation."

On Labor Day 1942, the President delivered a message to Congress—perhaps the most amazing message ever delivered by a President.

On the same date, the President delivered a radio speech to the American people commenting upon his message to Congress. In that speech, he said:

"Today I sent a message to the Congress pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it inflation, which is a vague sort of term, and others call it a rise in the cost of living.

"Last January the Congress passed a law forbidding ceilings on farm prices below 110 percent of parity on some commodities. On other commodities the ceiling was even higher so that the average possible ceiling is now about 116 percent of parity for agricultural products as a whole.

"This act of favoritism for one particular group or commodity increased the cost of food to everybody, not only to the workers of the city or in the munitions plants and their families but also the families of the farmers themselves.

"Since last May ceilings have been set on nearly all commodities except the exempted farm products.

"Wages in certain key industries have been stabilized on the basis of the present cost of living."

Obviously, the President intended to and did tell the Nation in that speech that the American farmer was getting too much money in spite of the fact that since January 1939 industrial wages have risen 94 percent while the cost of living, including all items, has risen only 24.1 percent.

The President severely criticized the Congress for passing the law of January 1942, whereby he was prohibited from fixing ceiling prices below 110 percent of parity on many foods and farm products, and left the impression that the advance in the price of farm products has far outrun that parity limitation.

In the statistical summary issued by the Bureau of Agricultural Economics, Department of Agriculture, under date of October 30, 1943, we find that wheat, corn, cotton, and eggs are still within or below the parity limits and have not advanced to 110 percent as suggested by the President.

We further find that none of the food products mentioned in that report of the Department of Agriculture, which includes oats, potatoes, hogs, beef, veal, lambs, butterfat, and milk, have exceeded the 110 percent of parity named in the law of January 1942, except in one or two cases, and then only slightly.

But the President went further than that. He demanded immediate action by the Congress giving him vast additional powers and specified a time limit within which the Congress must act, namely, October 1, 1942. He said:

"I have told the Congress that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos."

Only one conclusion can be drawn from this statement. Since he claims he had stabilized everything except farm prices and that we were threatened with economic chaos on that account, then we much conclude that because of soaring prices of farm products we have chaos.

Reluctant as I am to differ with the President, I must call attention to the fact that the President was mistaken in both statements. There have been no soaring prices in farm and food products and there has been no economic chaos.

The President, continuing, said:

"In the event that Congress shall fail to act, and act adequately, I shall accept the responsibility, and I will act.

"The President has the powers, under the Constitution and under congressional acts, to take measures necessary to avert a disaster which would interfere with the winning of the war."

The Congress not only acceded to the demand of the President, but very promptly, on October 2, 1942, passed the Emergency Price Stabilization Act, giving him all the power he demanded.

In the spring of 1943 I introduced S. 1143, which had for its purpose the prohibition of the payment of subsidies by the executive branch of the Government unless specifically authorized by the Congress. I offered this bill because the subsidy program then proposed was in violation of the law and was definitely inflationary, as I will point out hereafter.

This bill was later merged with the Commodity Credit Corporation bill and, in the rush of the closing days of the session before the summer recess, was passed with a limited authority granted for the payment of certain subsidies.

The bill expired on the 31st day of December and was continued until February 17, 1944.

H. R. 3477, which was recently passed by the House of Representatives by an overwhelming majority, is now before the Committee on Banking and Currency for consid-

eration. It extends the life of the Commodity Credit Corporation to June 30, 1945. In that bill is the following provision, known as section 3:

"No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities, except as provided in section 4 hereof: *Provided*, That with respect to any such commodities for which subsidy programs or support prices have been announced on or before October 13, 1943, such programs may be carried out and such support prices may continue to be maintained to the extent only that funds are available for such purpose under existing law, but not beyond December 31, 1943."

Years ago in the county fair circuits of the Middle West there was always to be found a pitchman with his little table, three walnut shells and a little pea. The pitchman was an adept at his business. After getting a crowd around his little table, he would deliberately, slowly, and with complete honesty, show his audience the pea. He then covered the pea with one of the walnut shells and permitted some member of his audience to tell him under which shell the pea was located.

With confidence thus established in his customers, he offered to bet a sum of money that no one in the audience could tell him under which shell the pea was located. One or more of the suckers were certain they could do so and thereupon bet their hard-earned money upon their judgment.

Of course, the pea was not under the shell designated. In the end the suckers, if they remained long enough, lost their shirts.

Today we have a shell game going on in our National Government. We are shown the pea and told exactly under which shell it will be and what will result if we lift the shell. The pitchman is a clever operator, else he could not survive.

The American people in this particular shell game are the suckers. They are being told that if we remove the shell from the pea, a terrible, destructive, and cataclysmic inflation will sweep this country.

The pea is not under the shell we think it is. The disastrous inflation predicted will not occur, but if we bet our money and follow the advice given us, we will lose our shirts in the expenditure of public money for unneeded and unwanted subsidies.

An unprecedented campaign of misrepresentation and even downright falsehood has been waged by those high in authority for the purpose of instilling fear in the minds of the people. The President, James F. Byrnes, Director of the Office of War Mobilization, Fred M. Vinson, Director of the Office of Economic Stabilization, Chester Bowles, Director of the Office of Price Administration, and other governmental officials have, by written and spoken word, endeavored to instill in the minds of the American people a fear that catastrophe will result if this bill is passed.

In recent weeks many statements have been issued to the press suggesting a compromise. A compromise means surrender to those asking a continuation of subsidies and this is no time for surrender.

Throughout the country organized groups have been inspired from Washington to bombard Congress with telegrams and letters. News writers and radio commentators have

engaged in this pressure campaign of fear, either because they do not understand or are inspired from the same source, and we are witnessing today a concerted and studied attempt to pass legislation by pressure. One leading official of this administration has stated publicly that if this bill is passed, it will cost the American people \$8,000,000,000. According to the January 10 issue of *Newsweek*, Mr. Bowles has now boosted that figure to \$17,500,000,000. That claim is so fantastic that it is not worthy of an answer. It is not founded upon any known facts and is nothing more than pure misrepresentation. From the reverse viewpoint, I agree that this program, if carried on for 2 or 3 years, will cost the American people far more than \$8,000,000,000, but not in the way the administration means. Those billions will come out of the Federal Treasury and will come from taxes paid by the American people to pay subsidies.

The President said in his recent message to Congress that the continued payment of subsidies to consumers was vital to the war-food program. Subsidies have nothing whatever to do with the war-food program, because the payments proposed to be continued are being made to consumers for the alleged purpose of cutting down their grocery bills and not to produce food. The farmer is getting no part of these subsidies except a few unwanted pennies on milk checks.

Not only is the farmer not getting any of these subsidies under this present program, but the farmer's share of the consumer's dollar, as disclosed by the Department of Agriculture in its report of August 1943, amounts to only 58 cents out of each dollar. The President made no mention of the 42 cents going into other pockets, but left the impression that the farmer was the sole beneficiary in whatever increase in prices has occurred.

The President says that "Government funds have been used in various ways to enable the farmer to get a fair price for his crops—a price high enough to encourage him to raise more crops—without raising the price to the consumer." The President's statement is not in accord with the facts. The law passed by Congress in 1942 authorized the payment of subsidies for the sole purpose of increasing production. The experience of the last 6 months has proven that this proposed subsidy program has actually reduced production. Cattle production has declined and thousands are being rushed to market before ready for slaughter. Hog production in 1944 will be down 20 percent.

Milk and butter production both show a monthly decline. These subsidies have not benefited the producers. They have not increased production, but have caused confusion, annoyance, and financial loss.

The President says that he is sure "that Congress and the people feel that this expenditure of \$800,000,000 per year is a moderate sum to pay in order to help accomplish the objectives which we have in mind—greater production and lower consumer prices." These payments have not gained the objective sought. Neither the people nor Congress favor it.

Last summer Secretary of Commerce Jesse H. Jones testified before the Agriculture Committee of the Senate that he estimated the cost of the roll-back program to be \$450,000,000 a year. The President now has it up to \$800,000,000. Chester Bowles, Director of the Office of Price Administration, says it will cost a billion and a half. C. I. O. demands \$2,000,000,000 for this purpose. Whatever the price, are we willing to pay the grocery bills of labor at a time when it is receiving the highest wage in history?

The Department of Labor figures on the percentage increase in average wages of workers in all manufacturing industries and

in the cost of living since January 1939 are as follows: Wages, 94 percent; living costs, 24.1 percent.

The President said that the payment of subsidies will "stimulate production, prevent price increases, encourage distribution." Experience has shown that it will not stimulate production. It will not prevent price increases, because the payment of subsidies has nothing whatsoever to do with prices. It will not encourage distribution, but does encourage hoarding.

There are 40,000,000 farmers in this country. Our national income has increased since 1939 by at least \$40,000,000,000, but only 14 percent of that \$40,000,000,000 goes to the farmer. The other 86 percent to nonfarm groups.

Last winter the hog producers of America were urged by the administration to increase hog production. Now, in the face of falling prices, it refuses to support prices for hogs. In the face of a black market in every city in this country, in the face of a threatened scarcity of meat the administration is discouraging meat production. Hog raisers are being punished. The cattle industry, through ill advised regulations, is being wrecked. There are more cattle in the country today than ever before, but those cattle are being pushed upon the market, weighing not more than two-thirds, and in many cases not more than one-half, of a matured animal. The producer is losing that extra production. The American people are deprived of the extra meat, and O. P. A. is on its way to better and bigger pay rolls.

Food is being hoarded and wasted by the War Food Administration. On January 4 the Office of Defense Transportation officially charged, and I quote:

"1. W. F. A. has bought and hoarded such tremendous stocks of butter, meats, and frozen commodities that the nation's storage facilities are filled to capacity, with no space available for storing spring and summer crops which should be processed to prevent spoilage.

"2. W. F. A. has continued buying and hoarding despite this apparent condition.

"3. W. F. A. does not even know how much it has bought, so frenzied has been the purchase spree

"4. W. F. A. does not know where all this food is stored.

"5. W. F. A. does not know what percentage of food stored is held by commercial operators and what percentage by their agency

"6. W. F. A., as a result of this shortsighted policy, has been responsible, indirectly at least, for tremendous losses in meat, eggs, and canned milk."

The President says, "There are some who advocate taking off all restrictions on food because of the vast food production which the American farmers have raised. But with the great excess of purchasing power now in the pockets of the American people, the supply would never last. We might have a feast for a few months, but then there would be a real shortage."

Does the President think that the American people are children or savages, who would glut their stomachs with an excess of food for a short time and then end in famine? We have managed to get along without Executive direction in this country for 150 years and no famines have resulted. We have not overfed ourselves. We have not destroyed our resources. We have taken care of ourselves without Government paternalism, and we can continue to do so.

There is only one solution to this confusion and threatened famine, and that is to remove all regulations on food production. Let the age-old law of supply and demand take its course. Hoarding will cease. Black markets will disappear. We will get rid of an unwanted and an unnecessary army of Government employees, and our supply of food will be ample for all purposes.

The President says "Some people say 'a little inflation will not hurt anyone.' They are like the man who takes the first shot of opium for the sensation he thinks it will give him. He likes it, although he swears that he will not make it a habit. Soon he is taking two—and then more and more—and then he loses all control of himself."

May I paraphrase that statement by saying there are a few people in this country who say that a little subsidy will not hurt anyone; that it will be extremely helpful and acceptable to those who receive the subsidy; that they like it, but they swear it is only for the moment and that they will do without it a little later on. But soon we will lose all control of ourselves and will be subsidizing everything out of the Federal Treasury to take care of pressure groups who think they want Government assistance.

Under the present law the Government is paying subsidies on cheese, 3¼ cents, amounting to \$28,000,000; on butter, 4½ cents, amounting to \$100,000,000; on milk and cream, amounting to \$350,000,000; on meat, amounting to \$350,000,000; and on bread, \$108,000,000. Where will it end? What will be the next item the pressure groups will insist should be included in this subsidy opium?

Many officials and others who are talking vociferously in favor of subsidies are confused in their thinking. They either do not understand the problem, or they have been inspired by the idea of getting something for nothing, or they are looking with longing eyes to the 1944 election.

There are two kinds of subsidies—production and consumers' subsidies—a fact which most of the commentators seem to overlook completely.

Congress authorized subsidies to increase production. No one is complaining of that kind of a subsidy. The other kind of a subsidy is a consumers' subsidy which is a different breed of cats. It is a raid on the Federal Treasury or, more directly, into the taxpayer's pocket, to help out a pressure group with its grocery bill.

No one is objecting to producers' subsidies if used for the purpose specified in the law. That is the kind of subsidy they are paying to the producers of copper, because the Government needs copper in its war effort.

We are told over and over and over again, with a repetition that has grown monotonous, that if we do not pay subsidies we will have inflation, and that inflation is a terrible bugaboo which we must avoid under all circumstances. Some of those who talk so glibly about inflation do not know what inflation means. But inflation is easily defined. It means that there is more money in the pockets of the people than there are goods to purchase. Doing this or that legislatively will not cause inflation. Neither is all inflation harmful. We have inflation in some degree nearly all the time, but there is nothing harmful about it. When a farmer buys a work horse in the fall for \$100 when no one wants a horse and sells it in the spring for \$125 when everyone wants horses that is inflation. But no one is harmed by it. If I buy 1,000 bushels of corn in October for a dollar and sell it the following May for \$1.25, that is inflation, but no one is harmed. There is only one correction to inflation and that is increased production. Production of civilian goods cannot be increased materially at the present time, but there are two other solutions, and only two, increased taxes or enforced saving, but neither are needed. We have in this country vast stock piles of commodities for war use. Those stock piles are a continuing brake upon the threat of inflation. As long as they exist no inflation can occur, because the market can be completely controlled. We have heard a lot about holding the line under the President's order, but the President himself does not hold the line. He did not hold the line of John L. Lewis'

coal miners. He did not hold the line on the railways, or with Government employees, or with the steel workers, and the whole mess was created in the first instance by the ill-advised policy of Government paying outrageous prices for war work. For the first time in the history of America, pick-and-shovel laborers were paid out of Government funds, wages ranging as high as \$100 a week. No man living can earn that much money with his hands, but our entire economic structure was wrecked by the payment or approval of such wages.

Congress passed what is known as the Stabilization Price Act. Under it the Government has complete authority to fix prices of commodities. Because of its failure to do so we are now threatened with inflation, and they are attempting the futile, unnecessary expedient of paying subsidies to consumers. The payment of 5 cents a pound to me for butter that I buy and use in my home has nothing whatsoever to do with holding the price of butter. All the administration had to do at any time was to fix prices, both on labor and commodities, and hold them there. No subsidies were needed to accomplish that, nor will subsidies accomplish it. I say to you that there is no reason, either moral, legal, or economic, why the money in the Federal Treasury should be used to pay the grocery bills of every Tom, Dick, and Harry in this country at a time when 9,000,000 American boys are working for their Government for \$50 a month. It is the job of O. P. A. to hold the line, but not with the payment of subsidies.

Through timidity or vacillation the administration refused to use the one certain method provided by Congress. Instead of picking out an item here and there upon which a ceiling price was ordered, why did it not issue one horizontal order straight across the board, fixing prices upon retail merchandise and upon labor? That was the obvious course if it did anything, but it was not taken.

Last summer they established what was called a roll-back price on butter, meat, and coffee of 10 percent. To thousands of processors of these commodities the administration proposed to and is paying a subsidy out of the United States Treasury.

During those weeks while that policy was under discussion, Secretary of Commerce Jesse H. Jones appeared before the Agriculture Committee of the United States Senate and stated, in substance, that the proposed roll-back subsidy would cost \$450,000,000 a year; that he had the money in his R. F. C. funds; and that he proposed to pay these subsidies upon the order of the President, whether the Congress approved it or not, and without the necessity of an appropriation from Congress.

Further testifying, Secretary Jones said, in disapproval of the subsidy program: "If you let the law of supply and demand take its course, no subsidies are needed. The subsidy plan will reduce production instead of increasing it."

Chester C. Davis, then War Food Administrator, and since sent back to the obscurity of nonofficialdom because he did not agree with his chief, said, in testifying before our committee: "I believe that a general dependence upon a broad subsidy program as the chief instrument in holding prices in line, or in expanding production, would be dangerous and would not accomplish the things we seek."

T. G. Stitts, Chief of the Dairy and Poultry Branch of the Agricultural Marketing Administration, stated at the same time: "The proposal to roll back the price of butter has had an unfortunate effect. Prices—for the producer—have gone down. There is no provision to indicate that the subsidy would be passed on to the farmer."

Albert Goss, national president of the Grange, one of the large farm organizations,

testified before our committee. He said: "We are opposed to the use of subsidies for such purpose, because they will not work. They are inflationary and will defeat the purpose sought to be accomplished. Subsidies in lieu of fair prices will lead to post-war chaos. Subsidies pass on to future generations costs which this generation should bear. Subsidies lead to the dangerous doctrine of expecting the state to support its people. Subsidies lead to political control, and when once used they are almost impossible to get rid of."

Under this subsidy program on butter and meat, the benefit to the consumer is so negligible as to be almost laughable. Under the rationing now in effect each consumer can obtain a quarter of a pound of butter a week, or 12 pounds a year. The 5 cents additional cost paid by the consumer without a roll-back amounts to just 65 cents for the whole year. On meat it amounts to \$2 for the entire year. The entire cost to the consumer without the roll-back and subsidy is less than 1 cent a day.

The worker has plenty of money. He is receiving the highest wage ever paid. Is it not better that he, the consumer, pay this small additional cost than to take it out of the taxpayer?

Comparison of the wages of industrial workers with the pre-war average

Year and month	Wage income for employed industrial workers	Cost of living
1935-39 average.....	100.0	100.0
1941: January.....	118.7	100.8
1942: January.....	145.6	112.0
September.....	167.3	117.8
1943: January.....	173.4	120.7
February.....	177.2	121.0
March.....	181.1	122.8
April.....	184.1	124.1
May.....	186.2	125.1
June.....	185.5	124.8
July.....	186.8	123.8
August ¹	190.8	123.2

¹ Preliminary.

NOTE.—Data compiled by the Bureau of Agricultural Economics. Cost-of-living index compiled by the Bureau of Labor Statistics.

Another thing, whatever the amount paid for subsidies, whether it be \$300,000,000 or \$2,000,000,000, the Government does not have the money. It must borrow it from the American people. To borrow money you must pay interest and to administer this subsidy program we must hire an army of new job holders. We then have the original cost of the subsidy, whatever it is, plus the interest on borrowed money, plus the cost of administration. You and I know that when the Government handles it, the cost will be two or three times the total amount of the subsidies. And who pays this bill? The taxpayer pays it.

The administration is determined upon this policy of subsidy payments and, by hook or crook, unless this Congress emphatically says "No," they are going through with it.

As an illustration of what I mean, let me tell you of a conference held in the committee room of the Committee on Agriculture some weeks ago. Hon. Fred M. Vinson, Director of the Office of Economic Stabilization, appeared before a conference of 31 Senators in connection with the payment of milk subsidies. The chairman of the meeting asked for an expression from the Senators as to their feelings about the payment of subsidies. Mr. Vinson insisted that no expression of opinion be given. Nevertheless it was given, one by one. Every Senator present, and it was not a partisan group, stated emphatically that they were opposed to sub-

sidies. Mr. Vinson said: "We are going to pay this subsidy nevertheless."

So I repeat that unless this Congress emphatically prohibits the continuance of this policy by the passage of this bill, the wishes of a large majority of the Members of the Congress is going to be disregarded. Certain labor leaders have stuck a gun against the ribs of this administration, demanding higher wages and in lieu of wages, subsidies on their food bill. The administration has attempted to press the same gun against the head of Congress, but Congress knows that the gun is not loaded and we have no fear of it. Subsidies have been tried over and over again in the history of the world and have always resulted in confusion, disaster, and chaos, and that is what is going to happen in this country if the administration is permitted to carry out its ill-advised policy.

The claim of the proponents of subsidies that we are faced with a disastrous inflation is not true. One of the leading officials of the present administration, Dr. Richard V. Gilbert, Economic Consultant in the Office of Price Administration, agrees with that statement. He says, in his book *An Economic Program for American Democracy*:

"The supposed danger of inflation can be disposed of briefly. The instances of runaway inflation usually cited—for example, the post-war experience in many European countries—all occurred in countries exhausted by long wars and straining their depleted resources to the breaking point. There is no danger of a rapid rise of prices. Furthermore, the instruments of monetary control already at the disposal of the Federal Government—for example, control over reserve requirements, taxation, and debt repayment—assure us that there need be not the slightest fear of inability to control any general price rise which might be regarded as excessive."

Professors Harper and Curtiss, of Cornell University, two of the foremost economists of this country, just recently issued a statement upon this same subject. This is what they have to say:

"A rising price level, no matter how slight, is inflation. The popular concept of inflation is a rapid rise, perhaps like that of World War No. 1, where wholesale prices rose from 100 to 244, or possibly an uncontrolled type like that which occurred in Germany in the twenties. A more modest rise than either of these is inflation, but is not commonly thought of as such."

"In the history of countries, inflation (rising prices) has been occurring about half the time. Rarely has it been of the extreme type. Conspicuous instances in the world in modern times were those of France in the 1790's, and Germany in the 1920's; both were in defeated countries following major wars. Violent inflation now threatens China, following large governmental deficits and a long war. Violent inflation in the United States is unlikely."

Continuing they say:

"Inflation cannot be controlled by law or regulation of prices. Theoretically, it seems possible, but in practice it is not because it does not get at the root of the trouble and so enforcement breaks down. Legislatures are as powerless to abrogate moral and economic laws as they are to abrogate physical laws. They cannot divorce effect from cause, either by parliamentary majorities, or by unity of supporting public opinion."

"As an aid to the solution of the inflation problem, subsidies fail for two reasons: First, the subsidy payments to producers and to their spending power, which is as inflationary as an equal number of dollars received directly in price. Second, consumers' prices are held down (or possibly reduced by a roll-back) which increases their excess-spending power and exerts that much more

inflation pressure on black-market operations or elsewhere.

"Subsidies also add to later inflationary tendencies. This is because they add to the Federal debt. The fact that the Government pays the subsidy does not in the least prevent its being an inflationary force.

"Subsidies are an excellent device by which to maneuver producers and distribution agencies—and even consumers—into position where they are much more subject to governmental control; but as a means of controlling inflation they are a delusion, and for this purpose they yield nothing in recompense for the loss of individual freedom that goes with the plan.

"Subsidies, in effect, are a means of shifting some of the cost of living from the consumers of the product subsidized to the national debt, and thus to the taxpayers. This really amounts to a shift in the cost of living from those who used the product to some who did not, rather than a reduction in the cost of living for the Nation."

Dr. John Lee Coulter, economist of national reputation, has this to say in regard to H. R. 3477, which we are now considering:

"We have shown that the indexes for wholesale prices on costs of living and retail prices on goods in large cities throughout the Nation have returned to normal. There is no possible justification for widespread payment of subsidies in order to make it possible for the consumers to purchase commodities at Government expense.

"Roll-back subsidies now in operation certainly are inflationary in character, and should be eliminated.

"Moderate wage and salary adjustments, some long overdue, should not be used as a basis for hysterical cries of inflation."

The truth of the matter is that there is not going to be any inflation. The cry of "Wolf, wolf" is wholly unjustified. Remove all regulations on the production of food, and the problem will solve itself. The record shows wages have risen twice as fast as food and three times as fast as living costs during the last 4 years.

It is said by some who do not favor subsidies that if we do not pass a bill continuing them the administration will use our refusal to start an inflation of its own for political purposes. I do not subscribe to that fear. There have been few of the acts of the Roosevelt New Deal administration with which I have agreed. I do not wonder that he has finally seen the handwriting on the wall and requests that we drop the name "New Deal," but I do not believe that Mr. Roosevelt or any other man holding the office of President of the United States would under any circumstances purposely bring on a disastrous panic of uncontrolled inflation.

If we are going to roll back prices of commodities and farm products to the 1939 level, let's roll back the wages of the laboring man to a comparable price with the farmer's income.

In 1939 farm prices were only 92 percent of the 1910-14 average. The weekly factory worker's wages are 208 percent of the wages of that same period. The Bureau of Economic Statistics shows that in August 1943, as compared to September 1942, the weekly wages of the factory worker could purchase 52 pounds more of bread, 28 quarts more of milk, 11 pounds more of butter, 19 pounds more of steak, 28 pounds more of pork chops, or 91 pounds more sugar than in 1942.

Dr. Wilford I. King, professor of economics of New York University, said the other day:

"According to the United States Bureau of Labor Statistics, the cost of living in February 1943 was 21.5 percent higher than the average for 1939. But what happened during this interval to the average weekly earnings of employed factory workers? According to the United States Bureau of Labor Statistics, these earnings rose from \$24.58 to \$41.12. These figures refer solely to those employed,

taking no account of the large additional gains in income brought about by rising employment. The best available evidence, therefore, indicates that in the last 4 years the contents of the pay envelope of the average factory worker have expanded at least three times as much as the rise in the cost of living. Obviously, unless conditions change very decidedly from those existing at present, Mr. Green's worry lest the growing cost of living outstrip wage advances is quite superfluous.

"Whether they know it or not, the poor as well as the rich pay the hidden tax inflicted by inflation. They pay it not only in higher prices but in shortages of automobiles, gasoline, household equipment, farm machinery, meat, canned goods, etc. Had our leaders dared to tell the people the truth and put the war on a pay-as-you-go basis, the marvelous price system—an automatic control mechanism far surpassing in efficiency anything which the mind of man can devise—would have silently and effectively taken care of both war and civilian needs, obviating all necessity of rationing except perhaps in the case of rubber. Had inflation been avoided, the O. P. A. would have been entirely unnecessary and the army of men and women now engaged in regimenting the populace could have been busy helping to win the war. Only an absolute ruthless dictatorship, oblivious of the wishes of the public, can interfere with the free price system and not produce by its operations shortages of necessities and widespread black markets."

The expenditures of consumers for food as a percentage of his total income, in the following table prepared by the Department of Labor, shows that the percentage of incomes paid for food has declined steadily instead of increasing:

<i>Food expenditures as a percent of total income</i>		
Year:		
1929	-----	23
1930	-----	24
1931	-----	24
1932	-----	25
1933	-----	25
1934	-----	24
1935	-----	23
1936	-----	21
1937	-----	21
1938	-----	22
1939	-----	21
1940	-----	21
1941	-----	20
1942	-----	21
1943	-----	20

Senators have been talking of compromise. If the payment of subsidies out of the Federal Treasury to specific groups is wrong, a compromise does not right the wrong, and no benefit will be derived by anyone.

There will be no inflation if the administration uses the tools now in its hands for holding this so-called line.

Dr. John Lee Coulter, the economist from whom I have heretofore quoted in a recent statement issued by him, said:

"Over a considerable period of years, the basic price-reporting agency set up by the United States Government, Department of Labor, reported regularly all details with reference to the price structure. Prices are quoted on many hundred commodities. In order to make comparisons as between price movements of different commodities and as between dates, these data have been reduced to the form of index numbers. For this purpose, the calendar year 1926 has long been accepted as the base period representing normal price levels in the United States. These statistical price index numbers have been calculated extending back over a period substantially of a hundred years.

"Using price levels during the normal base or representative year 1926 as equal to 100, the Bureau shows that, in October 1942 (1

year ago), the index number of wholesale prices for all commodities likewise stood at exactly 100. In other words, wholesale-price levels in October 1942 had finally recovered from the low or depression levels of the depression period and had again returned to the exact level of the base period.

"During the year October 1942 to October 1943 the wholesale price index number for all commodities has ranged between 100 and 104. At the very most, therefore, it may be said that wholesale prices for all commodities have ranged within the margin of probable error in collecting, calculating, and computing index numbers. There is only one conclusion which can be properly drawn and that is we do not have any price inflation in the United States at the present time as measured by index numbers of wholesale prices."

The payment of subsidies has no effect whatsoever upon the price of commodities, and I urge the Senators to approve this bill by such an overwhelming vote that those proponents of subsidies will understand that there is no compromise. Karl Marx said: "If you control the people's food, you control the people themselves." There are those in this Government who want to control the people's food. It is within our power to prevent that control of our food. It is within our power to restore to the people of this country the handling of their own affairs, if we have the courage to take that step.

For 11 years the President has met every problem presented to him during his administration with one unflinching formula: "Spend more money." That is his answer to every problem. That is his answer today. Instead of holding the line with the power that Congress has placed in his control, he evades the issue by pleading for authority to spend more money.

This bill is more than just another piece of legislation. It goes to the very foundation of our Government and our way of life. I urge the Senators to consider it as such. I urge them to take control away from the Executive and prevent his proposed spending of more public money. I urge that Government control of food be removed and that the law of supply and demand be permitted to settle this problem.

Mr. CAPPER. Mr. President, it will not take me long to give my reasons for opposing the consumer food subsidy program. It is another of those "psychic" programs; I do not like to use the word "fraud" in describing any legislation, because that would be impugning the motives of those supporting it, and I have the highest respect for the motives of every one of my colleagues.

We are told it is necessary to pay billions from the Treasury in food subsidies in order to halt or retard or prevent inflation. Mr. President, every dollar paid from the Treasury in subsidies adds that much to the spending power of the country. The basic factor in price rises is increased purchasing power going into a market where there is not a corresponding increase in things that can be bought. Increasing the purchasing power increases the inflation factor.

Subsidies to increase production can be justified. Subsidies to increase spending power cannot be justified as a hedge against inflation.

We are told also that consumer food subsidies are necessary because people cannot afford to pay their own grocery bills in these times. Mr. President, the incomes of the people of the United States are almost double what they were when the war started. The national in-

come has gone from somewhere in the seventy billions to an estimated one hundred and fifty billions plus in 1944. The cost of living has gone up 25 percent. National income has gone up almost 100 percent. And the bulk of the increase in national income has not gone to those who clip coupons. It has gone to those who work for wages. Statistics show this. What anyone can see on the streets, in the stores, at any place where large numbers of people go to spend money, bears out this statement.

Some comparisons have been made with the subsidy paid to high-cost copper producers in order to get increased production of copper. The copper subsidy can be legitimately used as a reason for paying a subsidy on soybean production in order to get increased and much-needed increased soybean production. But the copper subsidy is not at all analogous to the proposed consumer food subsidy; it is just the opposite. In the case of copper the Government did not pay a subsidy to all producers of copper; it went just to high-cost producers. The consumer food subsidy proposed here would not go just to those of whom it is said—and with justice, so far as several million fixed-income and white-collar workers are concerned—that they need relief. On the contrary, the proposed food subsidy would go clear across the board, to every consumer.

Mr. President, I want to nail another one right at this point. Some have called this a subsidy to farmers. It is not. The administration has not claimed that farmers will get increased income from the subsidies here proposed; the subsidy is to make up generally only in part for less farm income due to lower prices to be paid for farm products in the market under the subsidy program.

No, Mr. President, what is proposed is most emphatically not a subsidy to the farmer. It is a subsidy to the consumer. This is a proposition that the Federal Treasury shall help pay the grocery bill of the consumer—at a time when consumer income is the largest in all our history; perhaps the largest in the history of the world.

I will dwell only briefly on what to me is a most untenable position to take, that is, the proposal that the Government borrow money to help pay the grocery bills of our civilians at home, and have those additional billions of public debt saddled upon the generation of men and women who are fighting our battles for us overseas. The bill to be presented the fighting generation when this war is over promises to be at least \$3,000 per capita, as it is. Would it not be fine, when the boys and girls came home, to say to them:

"Look here, my children. While you were away seeing the world, times were so hard back here at home, wages were so low, that we just found it necessary to charge part of our grocery bills to you. We knew you would understand it, and be glad to saddle the extra load."

Mr. President, there are just one or two more points I wish to make.

Suppose we give this shot of dope, this consumer food subsidy on some foods. Why not then on some other foods?

Why not on rents, on clothing? Mr. President, are we not in danger of encouraging an appetite for subsidies? Of becoming a nation of subsidy addicts?

Why, Mr. President, the consumer subsidies are not new. Long before Julius Caesar refused the crown a third time, there was a Roman official—Gaius Gracchus—who wanted to be reelected to office, although the Roman laws prohibited his reelection. But he was a very generous man—with public funds. So he started food subsidies for voters of Rome and was reelected. The plan worked. Also the appetite of the Roman voters for subsidies grew. Food subsidies were followed by lodging subsidies; then wine; then free tickets to the games. The treasury was called upon to furnish food, lodging, drinks, tickets to theaters and arenas. The Romans became subsidy addicts.

This is a dangerous road to follow, Mr. President.

Now just one more point.

Suppose, while incomes are high, while wages are up, while there is full employment, the Treasury is called upon to borrow money to subsidize food for consumers—to help pay the grocery bills of all our people; not just the poor and needy, but subsidies for all? Can we believe that when incomes drop, when wages are lowered, when unemployment replaces overtime, that the people then will be willing to give up the food subsidies they were given as necessary when times were good, wages were high, unemployment was almost nil?

Mr. President, that runs contrary to human nature. I cannot support this consumer food subsidy program, and I hope the Senate will refuse by a huge majority, to approve it.

Mr. AIKEN. Mr. President, I should like to make a statement in connection with the pending amendment, and I should like to have the time charged to me.

The question has been raised as to whether the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] and myself would not have the effect of deleting the amendment dealing with wool and sugar subsidies, which has already been accepted by the Senate. It is not the intention of the Senator from Wisconsin nor myself to affect any of the subsidies which have already been accepted by the Senate.

Therefore we will modify our amendment in this manner. Our amendment now proposes: "In lieu of the language proposed to be inserted by the committee beginning on page 9, line 11," and so on; we modify that to say: "On page 11, after line 7, insert the following." Then we go over to page 16 of our amendment and eliminate section 302. Of course, section 303 was eliminated yesterday. And then renumber the sections in the proper manner.

By doing this the amendment is simply offered in addition to the bill of the Senator from Alabama, and this presents the stamp plan, so-called erroneously, for the consideration of the Senate, and would also place it before the conference committee for consideration if it should be adopted by the Senate.

There has been no intention to upset any of the subsidies which have been legally and properly authorized by the Senate.

Mr. LA FOLLETTE. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. Yes.

Mr. LA FOLLETTE. I wish to emphasize what the Senator from Vermont has stated. It never was his intention nor mine to interfere with the amendments which have been adopted, or with the text of the bill in charge of the Senator from Alabama, but on the evening that we decided to have this amendment printed, we had hastily to take the bill and draw it as an amendment to the pending bill, and erroneously we hooked it on at the wrong place.

I want it clear to every Senator that this amendment as it is now offered as a separate title, does not affect the text of the bill in charge of the Senator from Alabama, or any amendment that has been agreed to, and comes up as a separate title to the bill.

The PRESIDING OFFICER. The amendment will be modified as indicated by the Senator from Vermont.

Mr. BANKHEAD. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. BANKHEAD. I am quite sure that the statements made by the Senator from Vermont and the Senator from Wisconsin are accurate and that their action was taken in good spirit and not with an intention at all to develop a conflict between their amendment and the so-called Bankhead amendment. Unfortunately it had that effect, as many of us thought, and when the matter was called to the Senators' attention they readily and in good spirit agreed to correct it, and the modification of the amendment does correct it.

Mr. AIKEN. I thank the Senator from Alabama for the remarks he has made.

Mr. WHERRY. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. WHERRY. Does the amendment still retain the language in section 302 as is?

Mr. LA FOLLETTE. No, that has been stricken out.

Mr. AIKEN. That was stricken out yesterday.

Mr. WHERRY. I am talking about section 302.

Mr. AIKEN. No, that has been stricken out, and the language of the Bankhead bill is left in its place.

Mr. WHERRY. The language of section 302 goes out and the language of the section contained in the Bankhead bill is retained.

Mr. AIKEN. Yes. We believed that section 302 did exactly the same thing that the section in the Bankhead bill did. But in order that there may be no misunderstanding we now modify the amendment.

Mr. REED. Mr. President, today I have listened to one of the most powerful speeches I have heard in my 5 years in the Senate. I compliment the Senate and congratulate the country upon hav-

ing a Senator of the caliber of the senior Senator from Wisconsin. He discussed this matter so thoroughly, so logically, so completely, that his speech, together with the few remarks I shall make and the logic I shall offer to both sides of the aisle for support of the amendment, ought to secure a unanimous vote in its favor.

Mr. President, before I enter upon a discussion of the amendment I wish to suggest to the Senator from Wisconsin and to the Senator from Vermont that they are not entitled to have a copyright upon their proposal.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. LA FOLLETTE. Certainly, I will be the first to concede that, Mr. President.

Mr. REED. I happen to have been one of the vocal and vigorous opponents of the subsidy policy which is being followed and so greatly abused by the administration. Always have I recognized the fact that in these abnormal times there was a class of people entitled to whatever relief could reasonably be afforded. I began calling attention to this situation in June of last year on this floor. On December 17, 1943, I discussed the so-called low-income class of people. I conferred with the Bureau of Labor Statistics in an endeavor to find out about how numerous that class was. I could not obtain exact information. The best they could do was to tell me that there were between 30,000,000 and 40,000,000 families in this country, and the Bureau thought that probably 5,000,000 families fell in the class of people with rigid incomes who were actually and seriously injured by the present abnormal prices.

Mr. President, I also wish to agree with the Senator from Wisconsin to the extent that it is an outrage upon the people of the country that the President of the United States, that Mr. James F. Byrnes, now stabilization czar, that Judge Vinson, that Marvin Jones, that Mr. Bowles of the O. P. A. should always insist in every public utterance that subsidies are necessary in order to prevent uncontrolled inflation. That is not so. The relation between subsidies and the control of prices is relatively unimportant.

I have been one of those who have rather freely criticized the O. P. A. It has made a great many ghastly blunders. It has made a great many mistakes. However, I wish to say for the O. P. A. that, over all, it has done a reasonably good job in holding prices from running away in uncontrolled inflation. The administration now has the power, through ceiling prices or maximum prices, plus the rationing of commodities as between consumers, to control prices; and it does not need the subsidy policy, to prevent inflation. I charge these high officials responsible for this agitation in the country with bad faith, with exaggeration, with overstatement of the facts, with unnecessarily alarming the people.

Mr. President, I wish to give three good and sufficient reasons for every Member of this body, on both sides of the aisle,

to vote for this amendment. In the first place, we are now spending at the rate of \$1,300,000,000 a year for subsidies, without any possible distinction between the low-income class of people, who I think are entitled to it, and the folks who have no need for relief at all. Back Bay, in Boston, Park Avenue, in New York, the Gold Coast, in Chicago, Euclid Avenue, in Cleveland, and the other aristocratic districts in every city of this land receive more benefit from these subsidies and the policy that is being followed than do the stockyard districts or the districts "across the tracks." That is the first indictment I bring against the administration of this policy.

The amendment would reduce the \$1,300,000,000 presently being spent, or the \$1,500,000,000 as provided for in the Maloney amendment, to a maximum of \$500,000,000. Five hundred million dollars is not an inconsequential sum, even in these days; but, after all, it is approximately one-third of what we are presently spending for subsidies, and it will go into the hands of the class of people who need it.

I am informed by the authors of the amendment that no family having an income of more than \$1,150 per annum could participate in the benefits under the amendment. That is reason No. 1, or perhaps reasons 1 and 2.

Next, Mr. President, I know that every Senator on the other side of the aisle will vote for the amendment. Has not their chief time after time called attention to the great injustice that so-called price inflation has done to this class of people? The President of the United States has emphasized that upon every possible occasion. Surely his faithful leaders in the Senate, such as the Senator from Kentucky, the Senator from Missouri, the Senator from Pennsylvania, and the Senator from Illinois, who follow him so faithfully, whose sole guide necessary is the voice of the master, are not going to vote to deprive this class of people, so vividly described as needing help, from being allowed to receive help through this amendment. Surely my friends on the other side of the aisle would not let their chief down by voting against the amendment.

Mr. President, to my friends on this side of the aisle I call attention to the fact that during the debate on this question the spokesman in this body for the White House has warned us that if the bill is passed it will be vetoed. If we, with the help of the Senators on the other side of the aisle, are prepared to put in the bill so meritorious an amendment giving relief to the class of people with whom the President of the United States has such deep sympathy, surely they would not refuse by their votes to amend the bill so as to afford the relief.

Then, Mr. President, to my friends on this side of the aisle I should like to make another suggestion. I am one of those mild, open, and naive people who believe almost everything they hear, except a few things. One of the things I have always wanted to test has been the extent of the sympathy of the President of the United States for the class of people he uses so frequently to drive home his points to the people at large.

Mr. WHERRY. The forgotten man.

Mr. REED. Mr. President, one of my colleagues suggests that he is the forgotten man. The President does not forget him—for public purposes, at least.

My own theory is that the President of the United States emphasizes this, not because of the low-income class, but because he is more concerned with the most vociferous supporter of the public subsidy program, the most vociferous opponent of the Bankhead bill—the C. I. O. I receive more letters and telegrams from the C. I. O.—and I think all other Senators and Members of the House of Representatives do, too—demanding that I oppose the Bankhead bill than I do from anyone else. If the President is going to veto this bill, as the Senator from Kentucky has suggested he will—

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. REED. Certainly.

Mr. BARKLEY. The Senator from Ohio [Mr. TAFT] suggested that long before I ventured any such assertion; so it seems to be entirely nonpartisan. I hope the Senator from Kansas will realize that the amendment involves an economic problem, and I hope he will eschew the very natural desire to chastise the President because of any possibilities that may lie ahead, and will devote himself to the economic discussion of this very economic problem in an economic way so that we may get an economic vote on this bill if it is economically possible. [Laughter.]

Mr. REED. Mr. President, not even under the persuasion of the Senator from Kentucky does the Senator from Kansas ever permit himself to wander from the broad, nonpartisan pathway of economics.

Mr. BARKLEY. I am not sure that the Senator from Kansas permits himself, but there seems to be some driving force which now and then shifts him away from that narrow path. It may be something beyond his control.

Mr. REED. Then, it is when the Senator from Kentucky starts working on him. [Laughter.]

Mr. President, I shall vote for this amendment because of its intrinsic merits. I discussed this matter on the floor of the Senate before either the Senator from Wisconsin or the Senator from Vermont discussed it. I wish to test the sincerity of the President of the United States in his repeatedly expressed sympathy for the low-income group. I wish to write this amendment into the bill, first, because I believe in it, because I think it has merit; and, secondly, because I want to see whether the President of the United States will veto a bill which contains the only relief offered to the class of people which he so frequently and forcibly used as an example of those needing relief from price conditions.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Pepper
Andrews	Gillette	Radcliffe
Austin	Green	Reed
Bailey	Guffey	Revercomb
Ball	Gurney	Reynolds
Bankhead	Hatch	Russell
Barkley	Hayden	Shipstead
Bilbo	Hill	Smith
Bone	Holman	Stewart
Burton	Johnson, Colo.	Thomas, Idaho
Bushfield	Kilgore	Thomas, Okla.
Butler	La Follette	Thomas, Utah
Byrd	Langer	Truman
Capper	Lucas	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Idaho	Malooney	Wallgren
Clark, Mo.	Maybank	Walsh, Mass.
Connally	Mead	Walsh, N. J.
Danaher	Moore	Wheeler
Downey	Murdoch	Wherry
Eastland	Murray	White
Ellender	Nye	Wiley
Ferguson	O'Daniel	Wilson
George	Overton	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their name. A quorum is present.

Mr. NYE obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

Mr. NYE. I yield.

Mr. BARKLEY. It is very desirable that we conclude the consideration of this bill today if possible, even if we must stay in session a little later than the usual hour of 5 o'clock. I hope we may dispose of the bill today, and that to that end Senators will be as economical as possible in the use of time, except as to matters upon which they feel the urgency to speak.

Mr. NYE. Mr. President, it is not my purpose to detain the Senate. I have not the slightest objection to the subsidy issue being settled by the Senate this afternoon; but there are things which it seems to me I am called upon to say in explanation of my vote on the pending amendment and on the Bankhead bill itself.

To me the challenge presented by the bill simmers down to a lone question, which is in the minds of most of the people today. It is a question of too much government—too many cooks with their "mitts" in the broth, who must not be disturbed, or whose manpower status as Government employees must not be changed.

Too much government! One hears it on every hand. Look at the numbers who are employed by the O. P. A. today in Washington, and in every State and county in the Union. All those employees are maintained primarily because there is no will on the part of the Government to trust the people, while at the same time the Government demands the confidence of the people.

Too much government! The Government is playing with the farm manpower problem. "Playing" is the proper word, Mr. President. Here is Col. Lewis Sanders, who seems to be one of the No. 1 boys of the new economy plan who are at work experimenting, even during this perilous time of emergency. Colonel Sanders appears before committee after committee of Congress, giving testimony—as an expert, mind you—which

must strike the average farmer as being asinine.

Colonel Sanders said, "Place in operation a farm-consolidation plan," while other governmental agencies urge Congress to give more help to the small farmers, who are responsible for the largest increase in wartime agricultural production.

Colonel Sanders urged: "Plan the planting of whole counties as one farm." What a kick the farmer will get out of such a proposal. But this is by no means the extent of Colonel Sanders' thought on the subject of how Americans should farm and conduct themselves in winning the war. There is not a farmer who is not sorely concerned about how he is to bring about added production with less farm help, for much of his help has gone into high-paying defense industry, or has been drafted into the military services. Along comes Colonel Sanders with this wisdom. He pooh-poohs the idea that agriculture is an essential industry in winning the war, and says, critically, "There has been a persistent effort on the part of a large number of our people to elevate agriculture to the position of No. 1 weapon in winning the war," and then goes on in detail to explain how erroneous is the conclusion that the American farmer is playing a vital part in the winning of this war.

It was Colonel Sanders' opinion that agriculture must be placed on a planned basis. In all seriousness this so-called expert testified that in his opinion it was entirely proper to release from agriculture the 2,200,000 workers required for the armed forces and for war production and stated that all that would be required would be the application of—I quote his own language—"a few simple and elementary principles of industrial engineering."

Then, Colonel Sanders, in continuing his testimony before the congressional committee, said that agriculture, instead of being harmed by such a course, would actually benefit by the steps taken.

Anyone at all conversant with agriculture knows how essential farm labor is, unless, of course, we are to adopt a program of regimentation and communization of agriculture—which would seem to be the very thing Colonel Sanders was advocating—and are to put agriculture on a basis entirely different from that which has prevailed in past ages during which agriculture has contributed so much to the sum total of the happiness, comfort, welfare, and balanced economy in the United States. Obviously, so long as there are so-called experts, recognized as such by responsible officials and agencies of our Government, experts who are ready to advance such asininity as Colonel Sanders has advanced, one cannot be too sure of what may come next.

Mr. President, of course it is easy to stand back and see that this kind of an expert, paid for by the Government, and in constant attendance at committees of the Congress, is representing the cause of regimentation or the cause of communism, or that he and his coworkers are necessarily planning for the Russian

way of agriculture in the United States. However, if anyone thinks that strange, I would refer him to the newspapers of yesterday morning and to a reading of that part of the speech of our eminent and genial Vice President delivered at Seattle night before last. In that speech we find our Vice President declaring, not in effect, but quite directly, that—and I quote him as he was quoted yesterday morning in the Washington Post—

We are not going to use the whole Russian political and economic system here in the United States.

What grand assurance! We are not going to use the whole Russian system! It follows that we are going to use it in part, I believe it is fair to say.

Mr. President, we are reaching the point where the patience of American farmers with this sort of goings on will not absorb more of this playing around by experimenters. The time has already arrived when the farmers are saying, quite clearly, "Enough," and are asking for freedom from all the red tape which has them floored at every turn of the road, in the performance of every part of their daily work.

I wish to return, Mr. President, for a moment to the Seattle speech made by the Vice President. His speech, delivered on the 9th day of this month, has cleared up something for me. I have been the target of the Communist Daily Worker and the C. I. O. political-action group as being an advocate of fascism. I have wanted to know what they meant. The fascism which I knew about—the theory of government as it was being practiced in Germany and Italy, for example—was a thing I have condemned time and again, a thing I have detested. Now comes Mr. WALLACE with a definition. In his Seattle speech he said:

When I refer to American Fascists, I mean those who believe that Wall Street comes first and the country second.

Well, that lets me out.

If only Mr. WALLACE would tell the C. I. O. and the Communist Daily Worker boys that, according to Mr. WALLACE's definition, NYE is not a Fascist, I would appreciate it; because I am sure those boys are very close to the Vice President, who now declares just how far we shall go and just how far we shall not go in adopting the Russian way of government.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. CLARK of Missouri. Mr. President, I have no disposition to quarrel with the Senator from North Dakota in using the Vice President as a whipping boy. I simply should like to suggest to him that he might equally well employ his talents in discussing some of the discourses of Mr. Wendell Willkie, the last Republican nominee for the Presidency, who no longer ago than yesterday announced from the grandstand that he would again be nominated for the Presidency on the Republican ticket. Why does the Senator select Mr. WALLACE and ignore Mr. Willkie? Let him take a few cracks at Mr. Willkie, too.

Mr. NYE. I am not in the least unmindful of Mr. Willkie's ambition; but, having him in mind, and not having changed in the least my ideas about him, as compared with the views I expressed when I last spoke of him, I think the more we leave Mr. Willkie alone for the moment, the further he will be from becoming a candidate for the Presidency, either on the Republican or the Democratic ticket, either one of which is possible.

Mr. CLARK of Missouri. Wendell Willkie announced no longer ago than yesterday that he was certain to be the Republican nominee for President, and it seems to me the Senator from North Dakota has gone quite far afield in attacking the Vice President and ignoring the pretensions of the barefoot boy from Wall Street.

Mr. NYE. Well, if my remarks are to be construed as taking more of a "kick" at one individual than at another, I am sorry. But, having gone thus far as best I can, I think I may proceed with my discussion of the pending matter without involving too much argument.

Mr. CLARK of Missouri. Let me interrupt once more, Mr. President, to inquire whether the Senator would support Wendell Willkie if he were nominated for President on the Republican ticket?

Mr. NYE. Oh, Mr. President, I have said more than once that if the choice were between the present leader of the United States and Mr. Wendell Willkie, I would support Mr. Willkie.

Mr. CLARK of Missouri. Of course, the Senator would have to swallow everything he has heretofore said.

Mr. NYE. Oh, how hard I would have to swallow. How true that is. [Laughter.] And if I am not mistaken, the Senator from Missouri might have to do some swallowing, if certain things come to pass in November of this year.

Mr. CLARK of Missouri. Mr. President, let me say to the Senator from North Dakota that when the issue was drawn I was opposed to the third term; but when the issue was drawn between President Franklin D. Roosevelt and Wendell Willkie I never had a moment's hesitation.

Mr. NYE. Then the Senator will understand my position as to the choice which might be mine to make this year.

Mr. CLARK of Missouri. I never had the slightest hesitation, because I never could possibly vote for a common adventurer like Wendell Willkie.

Mr. NYE. I may suggest to the Senator from Missouri that we are both in the whale of a fix. [Laughter.]

Mr. MOORE. In answer to the question of the Senator from Missouri whether the Senator from North Dakota would support Wendell Willkie if he were nominated on his ticket, I believe the Senator from North Dakota said he would. I presume the Senator's answer was predicated probably on the idea that Willkie might be a better manager for the New Deal philosophy of government than the one we now have.

Mr. NYE. I shall not go into that for the moment. I have gone as far as I will let myself go today.

Mr. President, there is now a time limitation upon us, and if I may proceed without interruption until I shall have completed my remarks, I shall appreciate it.

Mr. President, I was addressing myself to the subject of too much government. The American farmer is feeling this more and more every day. There is not a farmer who has not experienced in greater or lesser degree the embarrassment and the retarding effect on his efforts and daily operations which have been caused by government. The farmer's experiences are many; but I imagine there has been no more interesting one than that of my friend at Carrington, N. Dak., a farmer named Joseph A. Kreps. Up to last fall he and his family had looked longingly at bathtubs displayed in store windows. They had developed a great yearning for a bathtub in their own home. They saw bathtubs in the window for sale. There came a day last October, after the harvest and the prospect was such as to afford him ability to buy when, following his desire, he went into the store to buy the bathtub. I have before me the file that accumulated in this particular case. Mr. Kreps found out, to his regret, when he was ready to purchase the bathtub, that he could not have it unless he secured a priority order. Then started a tussle, lasting months and not settled yet, to get a priority order so that he could purchase a bathtub which he and his family had wanted for so long.

I and my office force went to work as best we could for Mr. Kreps, and tried to break down the W. P. B. bottleneck. We thought we were making progress until there came to Mr. Joseph Kreps this letter from the War Production Board written by the acting district manager:

Referring to your recent application that was denied calling for a bathtub, after giving same further consideration we have come to the conclusion that if your doctor will furnish you with a statement stating that on account of your age this bathtub is absolutely necessary and essential for the good of your health, we will be glad to consider your application further.

[Laughter.]

Mr. WILEY. Who signed the letter?

Mr. NYE. It was signed by the acting district manager. Think of an agent of the Government enforcing such an asinine requirement as that, at a time, too, when another department of the same Government was advocating that American farmers retain Japanese workers on their farms so that the Japs might teach them cleanliness. Is it any wonder that Mr. Farmer sits back in his place today wondering what in the world he will have to endure next?

Mr. President, there is not time to discuss all the farmer's problems as they relate to the number of representatives of various farm credit agencies that visit him during the year. There is no time to discuss the farmer's problems in connection with tire rationing and oil rationing and the mileage required of him to travel to the place where he may get mere consent to buy tires and to buy oil.

There is no time now to discuss the burden that is his with the new income-tax returns. There is no time now to discuss his machinery problem and his farm-labor problem. There is only time, perhaps, Mr. President, to make reference to a very recent experience of farmers who last year, responding to the pleading of their Government, went "all out" in an effort to bring about a tremendous hog production, so as to provide meats and fats which were so necessary. Last fall the farmer came forth with an abundant hog production, only to find within recent weeks that he could not sell the hogs he had raised. Ceilings had been fixed on prices; ceilings had been fixed on wages, and the Government had said to the farmer that the best hog, the most marketable hog, would be one weighing between 200 and 300 pounds. Then started the race of the commission firms and the packers to buy hogs which were just as good and which could be purchased for less money if they weighed less than 200 pounds or more than 300 pounds. My files are filled with stories by farmers of the number of pounds of hogs they sold, hogs weighing over 300 pounds, which brought them less money than would have been theirs if their hogs had weighed only 290 pounds.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. NYE. I shall take my additional time on the bill.

The farmers, waiting for the Food Administrator or someone else to afford them relief from that condition, which found them unable to sell hogs that weighed between 200 and 300 pounds, presumably the premium hogs, have fed to those hogs every bit of feed they could accumulate; the farmer who was trying to and expecting to save some corn for next year has fed all that corn, and today there are farmers who are going to go broke because they have raised the thing the Government pleaded with them last year to raise. One hog raiser telephoned me one evening within the last 3 weeks and told me of his problem. He had three or four hundred hogs, which would make approximately 25,000 pounds of pork. He had at West Fargo storage capacity for 25,000 pounds of meat. It had been his custom through the winter to use that storage space for fish, which he disposed of at wholesale; but not this winter. That storage capacity was idle. He could not butcher his three or four hundred hogs and put them in that storage capacity to be held there until they were needed, nor could he find a butcher who would butcher that stock for him. Why? Because the butchers were under regulation by the Government which forbade butchering for any farmer or any individual a greater amount of pork than such individual and his family themselves would consume.

I was told 10 days ago that there would be issued a regulation which would permit this man to butcher or have butchered his hogs for storage in the storage space which was his and that I would be sent a copy of the order. I have not yet

received a copy of the order. I have been awaiting word from this particular farmer to know whether or not he had been given consent to go ahead and have his stock butchered.

Mr. President, there comes a time in the life of every man, and it is as true of the farmer as it is of anyone else, when the breaking point is reached. There are in America today farmers by the thousands who are wondering whether they shall gamble another year as they gambled this year, with the Government pleading for production, but unable to take care of it after the farmers have abundantly responded to the plea.

In my own State tens of thousands of bushels of this year's production of wheat, are out on the prairies, without protection, because there is not elevator space, and the farmers cannot obtain priorities to enable them to buy lumber with which to build the protection the wheat should have. There is no transportation, there are no boxcars, in which to carry the wheat out of the country.

Let me say to my colleagues that we are coming dangerously close to a real break-down of American agriculture. Instead of encouragement, when he responds with the things which the Government wants, the farmer encounters repeated discouragement, and then more of discouragement.

The reactions of the farmer to these subsidy plays grow more desperate every day. A week or 10 days ago 700 farmers responded to a call to a meeting at a little community called Kindred, where they gathered to protest the bottleneck that has developed in the hog market. The resolutions they adopted leave no question as to what will happen with respect to hog production next year in that community. There will not be any.

Wednesday night of last week there was another meeting to protest the hog bottleneck, at Wahpeton, N. Dak., and there some three or four hundred farmers gathered. There appeared at that meeting the very eminent and very able head of the Farmers Union Livestock Association, who went there because these were the people who were supplying the stocks with which he dealt in his business. This very able man, when it came his turn to speak at this meeting of these farmers, asked for a show of hands of farmers who favored the subsidy programs. I have before me the report afforded by the Wahpeton Farmer-Globe in which it is stated:

When Charles Egley, Farmers Union Livestock man from South St. Paul, asked more than 300 farmers here Friday evening just how many favored subsidy payments for livestock, not a single hand was raised.

I found the same result in the first 2 weeks in January, when in eight separate gatherings in my State I put that question. I found some division, but an overwhelming mind dictating against continuation of subsidies.

Mr. President, I have before me a letter written me concerning the experience of cooperative creameries and individuals with the so-called butter subsidy. It is from William J. Murphy, the dairy commissioner of North Dakota. I have not time to read it now; I can only ask that

it be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NORTH DAKOTA,
COMMISSIONER OF AGRICULTURE AND LABOR,
Bismarck, October 20, 1943.

HON. GERALD P. NYE,
*United States Senate,
Washington, D. C.*

DEAR MR. NYE: This is referring to your letter of October 14, wherein you ask for more information on the results of our compilation on prices paid for butterfat during June as compared with the first 5 months of the year.

I would like to explain that each cream buyer in the State must file a report with the State dairy department as to butterfat purchased and amount paid for same. The creameries report semiannually as of June 30 and December 31. Figures so obtained are compiled in the department so that we know what prices are being paid for butterfat at any given point in North Dakota.

As stated in my previous letter, the compilation of these reports show that the price paid for butterfat during the month of June during 1943 was 3.4 cents per pound less than the average price paid for the previous 5 months, namely, January through May. This, in spite of the fact that a stabilized price for butter was maintained in the markets through the ceiling set by the O. P. A. When the roll-back subsidy was put into effect in June the O. P. A. ordered the price of butter reduced on the market 5 cents per pound, with a subsidy of a like amount to be paid to all processors of butter upon the presentation of claims for payment. However, we find that the price of butterfat was reduced considerably, and while some plants made a supplementary payment to the farmers, of which we have a record and which amount was added to their June payment, the average price for the State showed a reduction of 3.4 cents under the previous 5 months.

There were only two ways in which the creameries could comply with the roll-back price of 5 cents, and that was either to pay the full price to the farmer and finance it themselves until subsidy payment was received or to lower the price and make a supplementary payment when they received the funds from the Government. Many plants, especially the smaller creameries, did not have sufficient capital to underwrite the 5 cents per pound in payment to the farmers and were forced to lower their price and make a supplementary payment later on when funds were received. This put these plants in an unfavorable competitive situation as against plants who had plenty of funds to maintain the higher price and underwrite the subsidy payment.

As an example, I would like to give you the record of one cooperative creamery in North Dakota. This plant had some surplus funds on hand and decided to pay the full price to the farmer. For the month of June alone this creamery had invested \$15,740 in maintaining the price, and as they did not receive their June subsidy payment until after the middle of July, they had another \$7,000 invested, which meant this cooperative creamery was using funds belonging to the farmers to finance the roll-back price of 5 cents to the consumer.

It is my belief that unless the food problem which is so critical at this time is clarified and put into control of someone in Washington who knows what he is doing we will find drastic curtailment in production during the next year. Our farmers are getting pretty badly discouraged and what we must have and must have quickly is the establishment of a long-ranged, definite

policy so that our farmers can be given assurance that they can go ahead and plan their operations without having some bureaucrat in Washington issuing a new order before they really get started on a production program. I do not believe that any subsidy either paid to the farmers direct or through the processor will get the required increase or the maintenance of production that we must have. The plan now in effect whereby the Government pays the farmer a subsidy of from 30 to 50 cents a hundred on milk or from 4 to 6 cents a pound on butterfat through the triple A offices will not work out except in instances where large commercial dairies are operating. The average farmer in North Dakota producing a small amount of butterfat individually cannot afford to drive to the county seat at stated intervals to present his claims for payment as the amount he would receive would be more than offset by the expense involved in making the trips. And we would also be losing thousands of valuable man-hours in wasted effort.

The one thing our farmers would like to have above anything else is to be left alone and that 90 percent of the red tape and restrictions they are now operating under be removed so they could go ahead and do their work and be assured a sufficient amount of machinery and equipment to produce as they would like to do.

Yours very truly,

WM. J. MURPHY,
Dairy Commissioner.

Mr. NYE. Mr. President, that brings me to the amendment now before the Senate, the amendment offered by the Senator from Vermont [Mr. AIKEN] and the Senator from Wisconsin [Mr. LA FOLLETTE], an amendment which I feel makes the Bankhead anti-subsidy bill very much what I want to see in the way of correction of a program which the administration is using to fasten upon the Nation more and ever more of subsidy.

Stability of wages and prices is much to be desired. To attempt to avoid runaway prices and undue wage increases is commendable. To seek to avoid a price and wage spiral of inflation is but to seek avoidance of economic suicide. But why must those who advocate subsidy and ever more subsidy for the benefit of the consumer strive always to sell it as the only simon pure way of avoiding a suicidal inflation? Is it only because this administration, having set out on one program, will not countenance any other approach, or is it because they do not wish to upset the cumbersome pay roll which has been established to carry on the order which prevails?

Adjustment of prices and wages, Mr. President, to meet constantly changing conditions and demands upon consumers, is not of itself going to bring dangerous inflation, certainly not if the adjustment is to be intelligently administered. On the other hand, a freezing and rolling back of prices cannot possibly fit our economy, especially at a time when larger production and increased production costs is in demand. Indeed, these freezing and roll-back programs are contributing to the creation of a spiral which can only bury producers in deep graves of failure, and at the same time deny consumers what they must have and can

better afford to pay for than ever before in their lives.

Leon Henderson, at a time when there was complete bewilderment and a will to "let George do it," chose the freeze, the subsidy, and the roll-back method of fighting inflation in preference to a wise price-control program. Does it follow that we must hold to this program? What is so wrong about admitting the impossible conditions the policy is causing and returning to a sane basis in our dealing with prices and with wages?

It is said that poor people are going to have to face distress and undernourishment if we do not continue the consumer subsidies. Give those who are not enjoying the increased wages which the times have brought the advantage of the Aiken-La Follette amendment to the Bankhead bill, which seeks to do away with consumer subsidies, give the food-stamp help to those who must live on low incomes, and there will be no more suffering than there is now, and the Government will save itself from the necessity of saddling billions upon billions of dollars more of debt upon all the people by reason of continuing subsidies, subsidies which buy the same advantage for the rich they buy for the poor. Congress and the executive branch of our Government will do well to heed what the roll-back, the subsidy, and the freezing programs are doing to jeopardize agricultural production. While there must be a control over prices and wages, it does not follow that everything must be frozen right where it is in order to avoid a killer inflation. If the freezing must continue for the farm producers, for heaven's sake give the farmer a break to the extent of putting him on a cost-plus footing, or do away with the cost-plus basis for others. Fair play would dictate that.

Mr. President, in conclusion, let me say that I look upon the consumer subsidy as being just about the most preposterous thing our Government has ever undertaken. It is preposterous because we are subsidizing the consumer at a time when the consumer is better able than he has ever been before, better able than he will ever be again, to pay reasonably decent prices for his agricultural needs. Yet we provide consumer subsidies, we go into debt in order to pay them, resulting finally in a debt which will be paid some day by the very same consumers, at a time when they are far less able to meet such obligations than they are able to meet them now.

Mr. SHIPSTEAD. Mr. President, I wish to say that the amendment now before the Senate, if it is based upon the fact upon which it is represented to be based, that in this day of the Nation's history, when the Nation's people are enjoying the greatest income in the history of the country, there are 20,000,000 people without sufficient income to sustain reasonable existence—if that is a fact, I consider it the most damning indictment of our system of handling prices and our system of distribution of wealth.

One would be inclined to believe the great depression is still with us. I do not know where these figures come from, or who compiled them, but I say that if

true they furnish a most damning indictment at a time when nearly \$20,000,000,000 of currency are floating around the country, when wages are the highest in the history of the Nation, when war profits have soared beyond what they were in the last war, and our pulp mills are busy all the time making paper to be used in printing money and bonds representing future debts.

Mr. President, this system of price fixing and handling food is a curse to the farmer and to the consumer. Those who favor it say, "We do not want to go back to the dangerous condition of the last World War when prices ran away." I am not in favor of run away prices. I am willing to put a price ceiling high enough to insure production. But let me repeat some of the statistics I gave yesterday and some new ones I have obtained with respect to what is called the horrible condition of the consumer in the last World War, which the present system of handling food prices is to remedy, in order to save the consumer.

In the last World War a 16-ounce loaf of bread sold for 9½ cents. In 1943 the same size loaf sold for 16 cents, an increase of 60 percent under the O. P. A. and the regime of regimentation instituted by the Federal Government. Senators think of that—a 60 percent increase under O. P. A. over the price of bread during the last World War.

In 1917 and 1918 when bread was selling for 9½ cents a loaf the farmer got 75 cents more per bushel for his wheat than in 1943, when the consumer paid 60 percent more for bread than he did in 1917 and 1918.

In the last World War the farmer got 3 cents out of a loaf of bread which sold for less than 10 cents, and now he receives 2 cents out of a loaf of bread which sells for 16 cents. These figures are from the Bureau of Labor Statistics of the Department of Agriculture and from the Department of Commerce reports.

The margin between the wholesale and retail prices has risen, and is now 300 percent over what it was in 1917 and 1918.

Mr. President, I was too conservative in a statement I made yesterday. I had figures which were 3 months old. This morning I learned from the Bureau of Labor Statistics that cattle sold in 1917 for from \$17 to \$17.35, and in 1918 they went as high as \$19.45. It is only for the top steers that the farmers now receive \$13 or \$14. Most of the very best cattle are sold from \$8 to \$14.

Hogs sold in 1917 at about the same price as cattle. The price of both is now from 30 to 50 percent lower than in 1917.

The Senator from Arkansas told me this morning that he had received letters from men in his State who had sold hogs in the Memphis, Tenn., market recently, and the price was from 5 to 12 cents a pound, the average price being 8 cents a pound.

The Senator from Georgia showed me letters he had received from Georgia this morning showing that the market at Atlanta on hogs ranged from 6 to 9 cents; the price for top hogs being from 8 and 9 cents. Senators, note the prices received by the farmer in 1917 and 1918 compared

with the prices received by him today under the regimented management of farm prices and markets.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. SHIPSTEAD. I yield.

Mr. WHERRY. The figures the Senator has given for cattle and hogs as of the present period are considerably lower than they were on September 15, 1942, when the prices were supposed to be stabilized between the farmer and labor.

Mr. SHIPSTEAD. That is true. But the O. P. A. forgot about the stabilization price.

Mr. President, the prices of meats to the consumer are approximately 35 to 50 percent higher than they were during the last war, while the prices of hogs and cattle are from 30 to 50 percent below the prices paid for hogs and cattle in 1917 and 1918.

Average meat prices in 1917 and 1918 were as follows, according to Bureau of Labor Statistics:

The price of round steak in 1917 was 29 cents, and in 1918 was 36 cents. In Washington yesterday round steak was selling at 47 cents for the best cuts, compared with 36 cents in 1918 and 29 cents in 1917. The price for second-best cuts was 44 cents.

According to the figures I received yesterday from the Bureau of Labor Statistics the price of rib roast in 1917 was 25 cents and in 1918 was 33 cents. Yesterday the ceiling price in Washington was 35 cents.

The price of pork chops in 1917 was 32 cents and in 1918 was 39 cents. Yesterday the price for end pork chops in Washington was 35 cents, and for AA cuts 39 cents. So Senators will see that there is very little difference in the price of pork only in Washington in the two periods, although hogs are 40 percent cheaper than in 1918.

The price of pork on the hoof has gone down from about 15½ and 16 cents to from 5 cents to a top of 9 cents in Memphis and Atlanta. I have an idea that possibly in Chicago the price is a little higher. But, Mr. President, the question is, What does the farmer on the farm get for his animals when he ships them to market? He receives from 30 to 50 percent less than he received in 1917 and 1918. Still we find that under the so-called protection price policy of O. P. A. to the consumer meat prices average from 30 to 50 percent higher than they were in 1917 and 1918.

In 1918 cheese brought an average United States price of 36 cents. In 1943 the price of cheese hovered around 50 cents a pound, or an increase of 35 percent over the 1918 price. Now, we see what the consumers are getting and what the farmers are getting. The consumers are paying entirely too much, as compared to what the farmers are receiving. Let me again call attention to the fact that the spread between wholesale prices and retail prices is 300 percent greater today, under the O. P. A., than it was in 1917 and 1918.

In 1943 the average food prices generally to consumers, according to Government statistics, were approximately

20 percent above retail prices in 1918, when we had the highest price level that has existed from the Civil War until 1943.

Mr. President, certainly the farmers are suffering, and the consumers are suffering, too. The consumers are now paying for their food much more than they paid during the last war, and the farmers are receiving a great deal less. Some evil, palsied hand is steering this price program. I have only the highest regard for Judge Vinson. I am sure he must understand this program, and from what I know of him I am sure he cannot like it. But what is the evil hand that is ruining the farmers and is putting burdens on the consumers, so that we are met with requests for billions of dollars of subsidies from the taxpayer, to further increase the public debt, and to threaten inflation and the very foundations of the economy of the country in time of war?

The safety of the country depends more upon the economics of our national life than upon anything else, if we are to preserve the American system of government. If we regulate prices in such a way as to bring on inflation and ruin production, the result may be an after-the-war economy which will result in national bankruptcy, confusion, unemployment, underproduction, and real starvation for many of the 130,000,000 people of the United States. Is it planned that way?

At a time when so much money is being printed, and when our people are being asked to buy War bonds, we are told that 20,000,000 of our people do not have enough income to sustain a reasonable standard of living. I said in the beginning that is the most damning indictment of the regimented, price-fixing food program that could be made to the people of this country. The most evil genius could not have put us on a more dangerous road than the one we are now on—not only as regards food, but in respect to the wasting of money and the printing of unlimited quantities of bonds, with resultant inflation and the creation of a tremendous debt which must be paid off in the future when our productive capacity may decrease to one-third of what it is today.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont [Mr. AIKEN] [for himself and the Senator from Wisconsin, Mr. LA FOLLETTE] as modified.

Mr. AIKEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bushfield	Connally
Andrews	Butler	Danaher
Austin	Byrd	Downey
Bailey	Capper	Eastland
Bankhead	Caraway	Ellender
Barkley	Chandler	Ferguson
Bilbo	Chavez	George
Bone	Clark, Idaho	Gerry
Burton	Clark, Mo.	Gillette

Green	Mead	Thomas, Okla.
Guffey	Moore	Thomas, Utah
Gurney	Murdock	Truman
Hatch	Murray	Tunnell
Hayden	Nye	Tydings
Hill	O'Daniel	Vandenbergh
Holman	Overton	Wagner
Johnson, Colo.	Pepper	Wallgren
Kilgore	Radcliffe	Walsh, Mass.
La Follette	Reed	Walsh, N. J.
Langer	Revercomb	Wheeler
Lucas	Reynolds	Wherry
McClellan	Russell	White
McFarland	Shipstead	Wiley
McKellar	Smith	Wilson
Maloney	Stewart	
Maybank	Thomas, Idaho	

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present.

Mr. LA FOLLETTE. Mr. President, I shall detain the Senate only a moment. Before the yea-and-nay vote is taken, I think Senators should know of the modifications which have been made in the amendment, inasmuch as some Senators may have been detained because of other business, and may not have been present at the time when the modifications were made.

First of all, I wish to make it clear that the amendment, as now drawn, will, if agreed to, appear as title II of the pending bill. It therefore would not in any wise affect the language of the bill in the charge of the Senator from Alabama, nor any of the amendments which have been adopted thereto.

Secondly, I wish to point out that the discretionary power given on page 5 to the Director to provide for regional differentials in the application of this plan has been eliminated.

I also wish to point out that on page 16, section 302, which provided for a prohibition of subsidies, has been eliminated.

So, the plan now stands solely as a program designed to meet the needs of those in the fixed-income and low-income groups. It does not in anywise affect the action of the Senate with regard to the bill in the charge of the Senator from Alabama, and does not in anywise affect the issue of subsidies.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Vermont [Mr. AIKEN] on behalf of himself and the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. BANKHEAD. Mr. President, I have had numerous inquiries as to how I feel about this amendment. Generally speaking, I am sympathetic with efforts to aid those who need help, as was done under the stamp plan; but I do not think this is the time or place to enter into that broad field, so I will vote against the pending amendment, and I hope it will not be added to the bill.

Mr. LA FOLLETTE subsequently said: Mr. President, I ask unanimous consent to have the amendment offered by the Senator from Vermont [Mr. AIKEN] and myself, as modified, printed in the RECORD prior to the roll call thereon.

There being no objection, the amendment, as modified, was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. AIKEN (for himself and Mr. LA FOLLETTE) to the bill (H. R. 3477) to continue the Com-

modity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, viz: On page 11 after line 7 insert the following:

"TITLE II—GENERAL PROVISIONS AND AUTHORITY

"PURPOSES

"SEC. 3. It is hereby declared to be in the interest of national defense and security and necessary to the effective prosecution of the present war and the maintenance of the health, efficiency, and morale of the civilian population, and the morale of those members of the armed forces who have dependents among the civilian population, that the limited supplies of food presently available for civilian consumption be equitably distributed among the various sections of the Nation and among persons in the various income groups, and that the means of obtaining sufficient food for an adequate diet be placed so far as possible within the reach of every person in the Nation. It is further declared that the operation of the national food-allotment plan, as provided in this act, is a desirable and effective method of accomplishing the purposes hereinabove set forth.

"DEFINITIONS

"SEC. 4. As used in this act—

"(a) The term 'Director' shall mean the Deputy Director of the Food Distribution Administration charged with the establishment and operation of the food-allotment plan.

"(b) The term 'household' shall mean one person who alone, or a group of two or more persons who at a common table, customarily consume food prepared by or for him or them in a home or noncommercial nonpenal institution. Households shall be classified for the purposes of this act according to number of members and monthly income. Such income classification shall be according to \$10 levels.

"(c) The term 'basic food allotment' per person, shall mean the following amounts of food per person per week or the equivalent thereof in nutritional value and approximate cost as determined by the Director:

"Milk, or its equivalent in cheese, evaporated milk, or dry milk, 5 quarts.

"Potatoes and sweetpotatoes, 4 pounds.

"Dry beans, peas, and nuts, 8 ounces.

"Tomatoes and citrus fruits, 1 pound 8 ounces.

"Leafy, green, or yellow vegetables, such as green cabbage, kale, snap beans, and carrots, 1 pound 8 ounces.

"Other vegetables and fruit, 2 pounds 5 ounces.

"Eggs, four (number of eggs).

"Meat, poultry, and fish, 1 pound 8 ounces.

"Flour and cereals, 4 pounds 7 ounces.

"Fats and oils, 14 ounces.

"Sugars, sirups, and preserves, 12 ounces.

"(d) The term 'normal food expenditures' shall mean the amount of money customarily expended for the purchase of food plus the money value of home-produced food consumed by households of a specific size and income classification during a specified period of time.

"ESTABLISHMENT OF THE FOOD-ALLOTMENT PLAN

"SEC. 5. The War Food Administrator created by Executive Order No. 9322 is hereby authorized and directed to establish and administer a national food allotment plan in accordance with the provisions of this act under the supervision of a Deputy Director of the Food Distribution Administration. Such plan shall provide for the issuance to eligible households, according to need and free of charge, of food-allotment coupons of prescribed monetary values and in such form as may be approved by the Director. Coupons so issued shall be transferable by the recipient thereof to mercantile establishments registered in accordance with the provisions of this act in exchange for food or food prod-

ucts of equal value at the prices currently prevailing in the establishment of the transferee and shall be redeemable at face value upon presentation to the Treasury by any authorized transferee thereof. Such coupons may be transferred by such transferee and accepted in payment for food or food products purchased by him, or deposited by such original or subsequent transferee with a banking institution authorized by the Director to receive the same for redemption as hereinafter provided.

"ELIGIBILITY OF HOUSEHOLDS

"SEC. 6. (a) The determination with respect to the eligibility of households to participate in the national food allotment plan shall be made on the basis of the number of persons who are members thereof and their monthly rate of income. Individual households shall be certified only upon the voluntary application of a member thereof. A household shall be eligible to participate in the national food allotment plan and receive food-allotment coupons: *Provided*, That households of the same size and income classification, considered as a group, are found by the Director, on the basis of factual studies conducted under his supervision, to have normal food expenditures less than the reasonable cost of the basic food allotment of such households.

"(b) For the purpose of determining eligibility and the value of coupons issuable, as provided in section 5 of this act, the director shall determine semiannually in the manner specified in subsection (a) of this section, the normal food expenditures and the reasonable cost, according to the food prices collected by the Bureau of Labor Statistics in the Department of Labor, of the basic food allotment for households within each size and income classification. Such normal food expenditures shall be stated in terms of the national average.

"VALUE OF FOOD ALLOTMENT COUPONS ISSUABLE

"SEC. 7. (a) Each household certified as eligible shall be entitled, subject to the provisions of subsection (b) of this section, to receive food-allotment coupons of a value which, added to the normal food expenditures for households of the same size and income classification, as determined by the Director, shall equal the reasonable cost of the basic food allotment for a household of that size as so determined. The value of coupons to be issued for each period shall be adjusted to the nearest whole dollar.

"(b) If the Director finds that the funds available for expenditure in accordance with the provisions of this act are insufficient to meet the full amount of the difference between normal food expenditures and the reasonable cost of the basic food allotment for all eligible households participating in the plan, he shall establish a percentage of the reasonable cost of the basic food allotment which can be attained for all participants out of the funds available, and shall cause food-allotment coupons to be issued to each participating household of a value which, added to the normal food expenditures as aforesaid, shall equal the established percentage of the reasonable cost of the basic food allotment of a household of that size.

"(c) Except for variations based on regional differentials authorized under section 4 (b) of this act, all households of the same size and income classification shall be entitled to receive food-allotment coupons of the same value. Except for adjustments to the nearest whole dollar as provided in subsection (a) of this section, in no event shall coupons be issued to any household of a value in excess of that which added to the normal food expenditures for a household of the same size and income classification shall equal the reasonable cost of the basic food allotment for a household of that size as determined by the Director.

"DISCRIMINATION PROHIBITED

"SEC. 8. There shall be no discrimination against any household with respect to eligibility, classification, participation, or issuance or utilization of food-allotment coupons under the provisions of this act by reason of race, religious creed, national origin, citizenship, political affiliations or beliefs, occupation, employment, or other tests, except as provided for in this act and as necessary to insure general fairness and equity in the application of this act.

"PRESERVATION OF STANDARDS

"SEC. 9. No moneys herein or hereafter appropriated for the purposes of this act shall be expended in lieu of Federal, State, or local expenditures customarily made for the direct benefit of households within the income groups found eligible to receive food-allotment coupons. Present standards for the payment, and payments, of social security and other types of assistance shall not be made less favorable to the recipients, or applicants for such assistance, by reason of the operation of the food-allotment plan.

"DETERMINATION AND CLASSIFICATION OF ELIGIBLES

"SEC. 10. (a) The Director shall designate appropriate State, local, and private agencies and ration boards where feasible to receive applications to participate in the food-allotment plan, to determine the eligibility of such applicants for food-allotment coupons, and to certify to him the names of those found eligible, together with such relevant data concerning the size and income classification of the households so certified as may be necessary to determine the value of the coupons to be issued to the applicant and such other information as may be necessary to the efficient administration of the food-allotment plan. The Director may reimburse such agencies so designated for reasonable expenses incurred in connection with the work performed by them.

"(b) When the Director finds upon investigation that appropriate State, local, or private agencies are not available in any State or community, he may establish local offices and employ suitable personnel to receive applications, determine eligibility, and certify eligibles as provided in subsection (a) of this section.

"(c) Each applicant shall furnish such information with respect to the size and income of the household of which he is a member as may be required by the Director and necessary to the determination of eligibility and of the value of food-allotment coupons to which such household is entitled. In determining the income classification of a household income in cash and in kind shall be considered in accordance with regulations issued by the Director. When two or more adult members, other than husband and wife, contribute to the support of a household, an equitable portion of the income of any such member other than the natural head of the household shall be deemed to constitute income of the household in accordance with regulations issued by the Director.

"(d) The Director shall establish appropriate procedures for appealing from the determination as to eligibility and the value of coupons issuable.

"(e) The eligibility of each participating household and the value of the coupons to which it is entitled shall be redetermined and certified at least twice in each 12-month period in accordance with rules and regulations issued by the Director.

"ISSUANCE

"SEC. 11. The unit for issuing food-allotment coupons shall be denominations of 10 cents and increasing denominations thereof.

The Director, or his designated issuing agents, shall issue coupons in such manner, and at such times and places, as the Director may determine, taking into consideration efficiency of administration and the convenience of those entitled to receive such coupons.

"REDEMPTION OF FOOD-ALLOTMENT COUPONS

"SEC. 12. (a) The Director shall provide for redemption of food-allotment coupons exchanged for food and food products through the cooperation of the Treasury Department, Post Office Department, the General Accounting Office, and banking institutions throughout the Nation. He shall designate banking institutions to accept coupons from sellers of food at retail and wholesale. Institutions so designated shall pay at time of presentation in cash or by credit to a demand deposit the full value of all coupons presented to them.

"(b) Banking institutions accepting coupons as provided in subsection (a) of this section and other authorized transferees may present such coupons for redemption at audit offices of the War Food Administration, and the General Accounting Office shall arrange to conduct the necessary audits of such claims at such offices, thereupon releasing the coupons to the Director for reissuance. Approved vouchers covering such claims shall then be forwarded to regional disbursing offices of the Treasury Department for payment.

"(c) The Director may contract to reimburse banking institutions designated to receive food-allotment coupons for their reasonable expenses incurred in acting as such depository.

"REGISTRATION OF FOOD DEALERS

"SEC. 13. The Director shall provide by regulation a simple method for the registration of mercantile establishments selling food and food products at wholesale or retail which desire to be authorized to receive food-allotment coupons in exchange for food and food products. Such registration shall constitute authority so to receive food-allotment coupons.

"TITLE III—ADMINISTRATION AND ENFORCEMENT

"ADMINISTRATION

"SEC. 201. (a) The Director may, subject to the civil-service laws and the approval of the War Food Administrator, appoint such employees as he deems necessary in order to carry out his functions and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Director may utilize the services of Federal, State, and local, and private agencies, and may utilize and establish such regional, local, or other agencies and utilize such voluntary and uncompensated services as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Director in any case in any court. In the appointment, selection, classification, and promotion of officers and employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

"(b) The principal officer of the Director shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place.

"(c) The Director shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for law-books and books of reference; and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Director where the aggregate amount involved does

not exceed \$250. Total administrative expenditures of all types shall not exceed 5 percent of the funds appropriated for the purposes of this act.

"(d) The Director may, from time to time, issue such rules and regulations as he may deem necessary or proper in order to carry out the purposes and provisions of this act.

"INVESTIGATIONS, RECORDS, AND REPORTS

"SEC. 202. (a) The Director is authorized to make such studies and investigations and to obtain such information as he deems necessary and proper to assist him in prescribing any rule or regulation under this act, or in the administration and enforcement of this act and the rules and regulations thereunder.

"EDUCATIONAL PROGRAM

"SEC. 203. As a part of the food-allotment plan, the Director shall provide, in cooperation with existing agencies of the Federal, State, or local governments, or private persons or groups, for improving the buying habits, food-utilization techniques, and food-preservation methods of the participants in the food-allotment plan.

"SUSPENSIONS

"SEC. 204. (a) The Director is authorized to suspend from participation in the food-allotment plan any State or area, if he finds after due notice and opportunity for hearing that any agency of such State or area serving as a certifying agent under the provisions of section 8 of this act (1) has knowingly violated any provision of this act or of any rule or regulation issued by him under the provisions of this act or has knowingly certified as eligible households not entitled to such certification or submitted inaccurate data with respect to size or income of households certified and (2) is likely to fail to comply in the future with the provisions of this act and the rules and regulations issued by him or to continue such unauthorized certifications or submission of inaccurate data.

"(b) The Director is authorized to suspend from participation in the food-allotment plan any State or area, if he finds after due notice and opportunity for hearing that expenditures customarily made are being withheld, or that standards of payment or payments have been made less favorable, by such State or area, or by agencies thereof, contrary to the provisions of section 7 of this act.

"(c) No State or area shall be suspended in accordance with the provisions of subsections (a) or (b) of this section except by written order of the Director signed by him.

"(d) The Director is authorized and directed to provide by rules and regulations for the suspension from participation in the food-allotment plan of any registered food dealer, participating household, or banking institution found by him, or by any officer or employee designated by him, to hear and determine suspension proceedings, after due notice and opportunity for hearing, to have violated any provision of this act.

"COUNTERFEITING OF FOOD-ALLOTMENT COUPONS

"SEC. 205. Whoever shall falsely make, alter, forge, or counterfeit, or cause or procure to be falsely made, altered, forged, or counterfeited any food-allotment coupon or coupon similar thereto for the purpose of obtaining or receiving, or of enabling any other person to obtain or receive, directly or indirectly, from the United States or any of its officers or agents, any money or other thing of value, and whoever shall transfer or utter as true, or cause to be transferred or uttered as true, any such false, forged, altered, or counterfeited food-allotment coupon or coupon similar thereto, with intent to defraud the United States, or any mercantile establishment, banking institution, or person, shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned not more than 10 years, or both.

"TITLE IV—MISCELLANEOUS

"REPORTS TO CONGRESS

"SEC. 301. The Director shall render, through the War Food Administrator, semi-annual reports to Congress describing the operations of the food-allotment plan, including the following: Number of eligibles and participants, by the various classes of households established; the reasons for non-participation of eligibles; effect of the food-allotment plan on the expenditure habits of participants; extent to which the plan increases purchases of foods of various types and other kinds of goods and services, for the various classes of households; benefits derived from the plan for the different types and groups of food sellers, wholesalers, processors, and producers; extent of improper use of food-allotment coupons; changes in relief payments, social-security payments, and other types of income of the various classes of eligibles; the amount and type of administrative expenditures incurred.

"TERRITORIAL APPLICABILITY

"SEC. 302. The provisions of this act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"SEPARABILITY PROVISION

"SEC. 303. If any provision of this act or the application thereof to any person or circumstance shall be held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby.

"SHORT TITLE

"SEC. 304. This title may be cited as the 'National Food Allotment Act.'

"TERMINATION OF ACT

"SEC. 305. The provisions of this title, and all rules, regulations, orders, and requirements thereunder, shall terminate on June 30, 1945, or upon the date specified in a concurrent resolution by the two Houses of the Congress, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and such rules, regulations, orders, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"SEC. 306. There is hereby authorized to be appropriated \$500,000,000, or so much thereof as may be necessary to carry out the provisions of this act."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Vermont [Mr. AIKEN] on behalf of himself and the Senator from Wisconsin [Mr. LA FOLLETTE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll;

Mr. WHITE (when Mr. BALL's name was called). The Senator from Minnesota is unavoidably absent. He asked me to announce that if he were present and voting he would vote "nay."

Mr. CHANDLER (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the Senator from Virginia [Mr. GLASS] and will vote. I vote "nay."

Mr. CLARK of Missouri (when his name was called). On this question I have a nontransferable pair with the Senator from New Jersey [Mr. HAWKES]. I understand that if he were present and

voting he would vote as I intend to vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I do not know how the Senator from New Hampshire or the Senator from Nevada would vote. Therefore I transfer my pair to the junior Senator from Nevada [Mr. SCRUGHAM] and will vote. I vote "yea."

The roll call was concluded.

Mr. REYNOLDS. I have a general pair with the Senator from Nevada [Mr. McCARRAN] who is absent from the city on important official business. I do not know how he would vote if he were present. I have endeavored to ascertain from his secretary his attitude toward the pending amendment, but his secretary was unaware of what the Senator's vote would be on this question, so I withhold my vote. If I were at liberty to vote I would vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Indiana [Mr. JACKSON] is detained on public business.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from Ohio [Mr. TAFT] and the Senator from Delaware [Mr. BUCK] are necessarily absent. Both of these Senators would vote "nay" if present.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Pennsylvania [Mr. DAVIS], the Senator from California [Mr. JOHNSON], and the Senator from Colorado [Mr. MILLIKIN] are necessarily absent.

The Senator from Indiana [Mr. WILLIS] has a general pair with the Senator from Indiana [Mr. JACKSON].

The junior Senator from Wyoming [Mr. ROBERTSON] has a general pair with the senior Senator from Wyoming [Mr. O'MAHONEY].

The result was announced—yeas 29, nays 46, as follows:

YEAS—29

Aiken	Holman	Revercomb
Bone	Johnson, Colo.	Russell
Butler	Kilgore	Shipstead
Capper	La Follette	Thomas, Idaho
Caraway	Langer	Thomas, Utah
Chavez	Murdock	Tydings
Clark, Idaho	Murray	Wallgren
Downey	Nye	Wheeler
George	Pepper	Wiley
Guffey	Reed	

NAYS—46

Andrews	Connally	Hill
Austin	Danaher	Lucas
Bailey	Eastland	McClellan
Bankhead	Ellender	McFarland
Barkley	Ferguson	McKellar
Bilbo	Gerry	Maloney
Burton	Gillette	Maybank
Bushfield	Green	Mead
Byrd	Gurney	Moore
Chandler	Hatch	O'Daniel
Clark, Mo.	Hayden	Overton

Radcliffe	Tunnell	Wherry
Smith	Vandenberg	White
Stewart	Wagner	Wilson
Thomas, Okla.	Walsh, Mass.	
Truman	Walsh, N. J.	

NOT VOTING—20

Ball	Hawkes	Reynolds
Brewster	Jackson	Robertson
Bridges	Johnson, Calif.	Scrugham
Brooks	McCarran	Taft
Buck	McNary	Tobey
Davis	Millikin	Willis
Glass	O'Mahoney	

So the modified amendment offered by Mr. **AKEN** on behalf of himself and Mr. **LA FOLLETTE** was rejected.

Mr. **ELLENDER** obtained the floor.

Mr. **REED**. Mr. President, will the Senator yield?

Mr. **ELLENDER**. I yield.

Mr. **REED**. I send to the desk and ask to have stated a perfecting amendment which is acceptable to the Senator from Alabama, the disposition of which should not take more than a moment.

The **PRESIDING OFFICER**. The amendment will be stated.

The **CHIEF CLERK**. On page 10, line 19, it is proposed to strike out the colon and insert the following: "and wheat flour for export."

Mr. **ELLENDER**. Mr. President—

Mr. **BARKLEY**. Mr. President, will the Senator yield?

Mr. **ELLENDER**. I yield.

Mr. **BARKLEY**. I wish to urge Senators, while they are present, to remain in the Chamber, because I believe there are only two or three more amendments, which will be briefly discussed. We may be able to dispose of this bill today and then take a recess until Monday.

Mr. **ELLENDER**. Mr. President, I had intended to submit an amendment to the Senate for the continuation of subsidies along the lines suggested in the amendment introduced by the distinguished senior Senator from Connecticut [Mr. **MALONEY**]. However, his amendment was so badly beaten that I believe I know when I am licked and I am not disposed to further encroach on the time of Senators at this late hour.

I have concluded that the majority of the Senate is definitely and decidedly opposed to subsidies. I am truly sorry of that. There is no doubt in my mind that the only alternative to subsidies is higher prices of consumer goods. Higher prices of consumer goods will mean a higher cost of living, and a higher cost of living no doubt will beget higher wages, and higher wages will again mean higher prices for consumer goods, and soon our economy will become enmeshed in a spiral of inflation that will not only wipe out the savings of millions of our people but will curtail our productivity now, and almost destroy it in post-war years.

In a speech which I delivered in the Senate on November 29, 1943, I pointed out some of the reasons why I thought we should continue subsidies. At this time I shall not go into the various arguments advanced by me in that speech, but I wish to discuss a few pertinent issues that were referred to in the debate on the pending bill.

Much has been said on the floor of the Senate in the last 2 or 3 days about the

income of the farmers during this war in contrast to World War No. 1 and how the income of farmers has been adversely affected by subsidies. Senators, I am satisfied that the record does not bear out that latter contention, that is, that subsidies have adversely affected the income of farmers.

In my speech of November 29, 1943, I submitted to Senators for their consideration a table showing the net cash income above expenses of typical commercial family-operated farms throughout the country, for the average period of 1935 to 1939, for 1940, for 1942, and for 1943, the latter year being estimated as to a few types of farms. It is very illuminating and it should invite the attention of Senators who have made the charge to which I have referred.

The increased income represented in dollars in 1942 for wheat farms, over the average farm income for 1935 to 1939, was \$3,700, and for 1943 it was \$4,800. The dollars increased income, 1942 over the average for 1935 to 1939 on a wheat, grain, sorghum, livestock farm was \$3,264, and for 1943 it was \$4,539. For a cash grain farm the increase was \$3,205; for a hog-beef breeding, fattening farm it was \$2,626; for dairy farmers in New York it was \$1,040; for Wisconsin dairy farmers it was \$1,078. Let us shift to the South. The dollars increased income, 1942 over the average 1935-39, on flue-cured tobacco farms—Virginia—was \$656; on Texas black waxy prairie farms, cotton area, it was \$400; on Georgia two-mule cotton farms it was \$348; and on Mississippi Delta two-mule farms it was \$306.

Senators, I desire at this time to bring to your attention figures relating to my own farms in Louisiana which, in a measure, corroborates the incomes to which I have just referred. I operate two farms, one with 64 acres and the other with 125 acres in cultivation.

I have before me copies of my farm statements which I furnished to the Income Tax Division when I made my income-tax return for the years 1939 to 1942, both inclusive. In 1939, being away from home and trying to farm by remote control, my net loss was \$3,063.99. In 1940, again trying to farm by remote control, my net income was \$2,560.47. In 1941, it was \$46.53. In 1942, it was \$1,830.16.

Last year, 1943, my net income before deducting bonuses I gave to my helpers, was in excess of \$10,000. Bear in mind that the incomes from the years indicated came from the same farms, with practically the same crops which I had planted in prior years, as to quantity and kind. Why, last year, my net income was more than the gross income received by me in all years mentioned except the year 1942. I venture to say that results almost similar to my own experience can be found on virtually every farm in this Nation. When I say farm, I mean a farm that produces crops of the same kind as I am cultivating. I, of course, realize that dairy farms, cotton farms, and probably many others, will not show as high a percentage of income, but there has been a decided improvement in income in the last 2 years as to all farms

over prior years. The net farm income for last year was more than \$12,000,000,000. The average annual farm income for the 5 years, 1935 to 1939, inclusive, was \$4,668,000,000.

Those figures reflect net incomes of the farms, as I have just indicated. I thought I should again bring those figures to the attention of the Senate to show that the farmers' income, after all, has not been affected by the subsidy programs now in effect, as has been charged in the course of the debate on the pending measure. I believe that the vast majority of our farmers are well satisfied with the subsidy program. It is my honest and studied opinion that if we do away with subsidies, we are bound to have an increase in the cost of living which will reflect itself, as true as I am talking, in the returns of the farmer. Let us take the figures for the last World War, as I pointed out in my speech on November 29, 1943. The prices received by farmers for what they produced increased during World War No. 1, 78 percent. During World War No. 2 they increased 116 percent.

On the other hand, the things which the farmer buys in order to produce his crop increased during World War No. 1 71 percent in contrast to only 34 percent during the present World War. During World War No. 1 my father, a farmer, paid as much as \$100 a ton for nitrate of soda. I bought some nitrate of soda last month for \$37 a ton. My father bought some cane knives to harvest sugarcane during World War No. 1 which cost him \$1.90 apiece. I bought some of the same kind of knives during the past winter which cost me only 60 cents apiece.

No, Mr. President, I dread inflation. We have come a long way in our attempt to stabilize the cost of living. We have done a good job and I am not going to cast my vote for a measure that will almost destroy all we have accomplished in the last 18 months, in our battle against inflation.

Mr. President, much has been said about the problems of our cattle feeders. Despite what some opponents of subsidy have claimed, we know that these problems are not ones of prices and returns on beef or dairy products but mainly one of securing adequate feedstuffs at reasonable prices. Prices of finished beef-cattle products are way above parity and far exceed pre-war prices. If the feedstuffs can be supplied at reasonable levels this important branch of American agriculture will share fully in the unparalleled prosperity now enjoyed by American agriculture as a whole, which so largely results from the stabilization of prices of the things the farmer buys.

Our feed problems arise from the immense growth in the number of animals we have to feed rather than from any absolute shortage of either low-protein feeds or high-protein concentrates. The number of live cattle we have to feed has increased by about 16,000,000 head, or approximately 25 percent, over the last 3 years. Our hog population has grown by 40,000,000 or about 50 percent over normal levels. Poultry production has increased by about 50 percent since pre-war years, and dairy production has in-

creased by 10 percent. Total production of meat animals, by weight, has risen 45 percent since before the war. On the other hand, total feed, grain, and hay production have increased only about 5 to 10 percent during these years.

Some agricultural experts, and even ex-President Hoover, had argued that the best solution to this problem is radical reduction in the number of animals and a consequent shift in our eating habits toward grain products, such as bread. The administration has rejected this proposal. The need of a high-protein diet for wartime work and for our armed forces and our allies requires meat, dairy, and poultry production, and demands, therefore, that we stretch our feed supplies as far as possible to get maximum possible amounts of these foods. The Government also realizes that hog raisers and cattlemen have cooperated splendidly with its program for expansion of production and that they must be protected against unfair loss.

I should like to outline, briefly and only partially, what is being done by the Government to make sure that dairymen and cattle feeders will not bear the brunt of this feed shortage.

Until fairly recently, everyone knows, hogs had been getting the lion's share of our scarce feeds. The national need for fats and the fact that using feeds to produce human foods through hogs is generally more efficient than feeding cattle for beef or producing milk and other dairy products, led to steps to expand hog production. An attractive support price of \$13.75 was placed under fat hogs weighing from 240 to 270 pounds to get the vital fats and meats for our civilian and military needs. This made it very profitable to produce more hogs and to feed them to very high weights. Now, in order to save feeds, the support price for 1944 production has been reduced to \$12.50 and confined to lighter-weight hogs weighing from 200 to 240 pounds. It is estimated that this step alone will save about 10 percent of the immense amount of corn fed to hogs—for other users. In addition the goal for hog production has been sharply cut back for next year. The number of hogs at present is about 125,000,000. The 1944 goal announced by the War Food Administration recently is only 105,000,000, or 17 percent lower. This should save another 15 percent of feed. It is safe to say that within the next year the amount of our corn which goes to hogs will be reduced by almost one-fourth. This will be a great help to cattle feeders and dairymen. At the same time it will cut out the wasteful feeding which the production of very heavy hogs entails.

Cattle raisers as well as hog producers will have to economize on feeds for the duration. As the Iowa State College Agricultural Experiment Station has recently said, in a bulletin entitled "Better Weather Ahead for Cattle Feeders," cattle feeding prospects are looking up, but only for feeders ready to go on a sound wartime feeding basis: "Good red meat is what is wanted, carrying enough fat to give the meat a good flavor, but without the tallow that ends up in the pail of waste fat." Feeding should be

up to "good" grade, not up to the triple-A grade which was called forth by the abnormally high prices and more plentiful feed supplies of some time ago.

The same bulletin also points out vividly what some of us may have forgotten, namely, that the profit from cattle feeding depends very much on the cost of the feeding, which depends in turn on the prices of feeds and feeding practices. The Government can do and has done a great deal to keep these feed prices down, as indicated below, but only the feeder can control his feeding practices. As for feed prices, in 1918-19 during the last war, for example, a "standard" feeding ration cost \$27.20 per 100 pounds of gain in animal weight, whereas in this war, in 1942-43, this cost was only \$13.30. This is but one tangible reflection of the many benefits the stabilization program has brought to American agriculture, and warns us that rising prices are not the answer to the farmer's welfare. As for what the feeder himself can do, a less fancy wartime ration, Iowa State College points out, will cost only \$10.50 per 100 pounds added to weight. If cattle growers will do their part in conserving our scarce feed supplies, they can benefit the entire country at the same time as benefiting themselves.

Efforts to expand our feed supplies are not being neglected, especially production of high-protein feed concentrates so badly needed for dairy production. Liberal support prices and incentive payments have been used to expand production of peanuts, soybeans, and flaxseed. Our production of these three products combined has almost tripled since before the war. Part of this production goes for vital oils, but they also greatly increase available supplies of high-protein feeds.

The lifting of all planting restrictions of corn has helped all feeders by contributing to record corn crops. In 1942 our corn crop was 3,300,000,000 bushels and despite less favorable weather it was 3,100,000,000 bushels last year, as against a pre-war crop of about 2,500,000,000 bushels. As everyone knows, corn is the foremost high-potency feed for beef cattle, dairy cows, and poultry, as well as hogs.

The cut-back of the hog program will do much to make feed more available to cattlemen, dairymen, and poultrymen, but the other steps have been taken to insure that feedstuffs get to these users and at reasonable prices. To supplement domestic feed supplies, over 40,000,000 bushels of feed wheat have been brought in from Canada under Government auspices during 1943, and it is hoped that seventy-five to one hundred million bushels can be got from Canada this year. In addition, the Commodity Credit Corporation has sold about 490,000,000 bushels of feed wheat at the parity price of corn to all types of feeders during 1943. Since the wheat has to be bought at higher prices the Government is taking a loss of almost \$70,000,000 a year on this program. The Commodity Credit Corporation is also making a payment of 5 cents per bushel on all corn shipped from the Middle West into the feed-shortage area along the Atlantic Seaboard. These Government-subsidized shipments have

on recent occasions been running at the rate of almost 100,000,000 bushels a year, at an annual cost of about \$5,000,000 to the Government.

I would like to point out that these are some of the subsidies which the opponents of stabilization would blindly eliminate. There was recently started a program by which the Commodity Credit Corporation brings hay into certain drought areas for dairy use and sells this hay at low prices. Between September 15 and the end of November 66,000 tons of hay have thus been provided to hard-pressed dairymen. This is another of the subsidies some would want to cast out.

Mr. President, I discussed this subject quite fully in my speech of November 29, 1943, but since the subject of the ill effects of subsidies on cattle feeders was again called to our attention I felt duty bound to make answer.

Mr. President, another point discussed by subsidy opponents say food subsidies mean saddling our grocery bills upon "the boys in the fox holes overseas."

The fact, of course, is just the opposite, so completely the opposite that it would be ludicrous if the true situation were not so tragic. The fact is that if the subsidies are not paid, if this tool of inflation control is struck from our hands, the boys who come back from the fox holes will be paying taxes for years to help pay interest on the Government bonds issued to pay inflated prices for their implements of war and the food they eat. If subsidies are removed, the prices of foods will go up. Other prices will then go up. Workers will ask for higher wages, and those represented by strong labor organizations will get them. In many cases the increases will more than offset rising living costs, since the demand for labor is very keen. This will raise prices further, and the spiral will continue. The foodstuffs, and the textiles, and the military equipment used by the boys in the fox holes will rise in price, and the Government will have to borrow more billions to pay the bill.

From whom can it borrow? Obviously from those here at home who are fortunate enough to have money to lend. It is they who will hold the bonds when the boys come home, either directly in War bonds or indirectly in the form of bank deposits and other financial obligations created out of the huge sale of bonds to the banks.

And who will these fortunate people be? They will be those who profit from the inflation—the war contractors; those lucky farmers who happen to salt away their paper profits from uncontrolled food prices; those workers in war plants whose organizations are strong enough to keep their wages advancing faster than living costs. These will be the war profiteers. Ironically the profits, and the swollen-farm income, and the high wages earned on the food and equipment for the boys in the fox holes will be earned in part out of the decline in the value of fixed incomes, pensions, and allotments, leaving many of those same boys' parents and dependents destitute.

If ever crocodile tears were shed, it is the tears of those who cry that we

must not saddle a part of the grocery bill on our fighting men by paying subsidies to hold prices down. These subsidy opponents really want higher prices now—they are always forced eventually to admit it. They do not cry out that the boys fighting for \$55 a month cannot afford to pay higher prices for the things they need. They show no concern for the seven and one-half to eight million dependents of fighting men who have to pay their grocery bills out of fixed and meager allotments. Yet the soldiers and their wives and children will be paying their grocery bills right now—if they can—and paying higher and higher prices for groceries and everything else as inflation proceeds. And they will pay through the nose later on as well.

For when the boys come back home from their fox holes they will have the privilege of paying taxes to help pay the interest on the inflated national debt incurred to fight a high-price war. And to make the irony complete, they will be paying this interest into the hands of those very war profiteers, many of whom are now demanding removal of the Nation's protection against rising prices and a soaring national debt on the foolish plea that the boys in the fox holes should not help pay our grocery bills.

Mr. President, I could make answer to other charges that were preferred by subsidy opponents, but I feel that it will all be in vain. Senators have already made up their minds on this issue and arguments seem to fall on deaf ears.

Mr. President, I contend that if the line is broken and inflation sets in, the farmers of our Nation will be the losers. I think I have demonstrated that in my speech of November 29, 1943, and I ask Senators to take time out and read that speech. We have used subsidies in order to hold the line. That method has worked well up to this moment, and I think it would be a grave mistake for the Senate at this time to abolish subsidies.

Mr. President, it is late, and I do not care to detain my colleagues any longer, but I ask unanimous consent to place in the RECORD at this point a debate between myself, Representative LOUIS E. MILLER, of Missouri, Mrs. Esther Cole Franklin, of the American Association of University Women, and Mr. Charles W. Holman, secretary of the National Cooperative Milk Producers' Association, on the American Forum of the Air.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Announcer HAROLD STEPLER. This evening the American Forum of the Air has invited two Members of Congress, a consumer and a farm representative, to discuss Subsidies and the Cost of Living. They are: Senator Allen J. Ellender, Democrat, of Louisiana; Representative Louis E. Miller, Republican, of Missouri; Mrs. Esther Cole Franklin, of the American Association of University Women; and Charles W. Holman, Secretary of the National Cooperative Milk Producers' Federation.

Each has a brief prepared statement. Then all will join in an extemporaneous round-table discussion of "Subsidies and the Cost of Living."

First, then, Senator ELLENDER.

ADDRESS BY SENATOR ALLEN J. ELLENDER

Mr. Granik, ladies and gentlemen, payment of subsidies is not new. Our Government has been very liberal in giving aid and rendering assistance so as to protect and sustain our economy. A familiar method of assistance is through the imposition of taxes on imports, known as tariffs. By imposing such taxes our industries are able to hold their own against foreign competition and our high standards of living are thereby maintained. Our people must pay for this protection and their cost of living is substantially increased.

A common method of giving aid is to make grants of funds or property to persons or corporations to assist in the establishment or support of an enterprise deemed advantageous to the public such as in aid of transportation, as to ship, canal, air-transport, or railroad companies. Except for this form of aid we may not possess the unparalleled system of air, water, and rail transportation that we now enjoy. Such aid is commonly known as subsidies.

A more recent application of Government aid is in the form of payments made from our Public Treasury in order to bridge the gap which inevitably arises in wartime between rising costs of production of essential commodities and stable prices to consumers, so as to prevent inflation. Such payments are also called subsidies. Oh! But what a sinister word "subsidies" has grown to be in the past few months, and yet tariffs, grants, subsidies, incentive payments, and the like have been successfully used in the past, and at the present to sustain our economy.

The opponents of subsidies have no plan except higher prices for consumer goods. They are in reality advocating that the consumers pay after January 1, 1 to 2 cents more for each loaf of bread, 5 to 10 cents more for each pound of butter, 1 to 2 cents more for each quart of milk, 2 to 3 cents more for each pound of sugar, 3 to 4 cents more for each pound of potatoes, 10 to 15 percent more for each pound of meat, 10 percent more for canned vegetables, and the Lord only knows how much more for fresh vegetables.

Can you not see the wage earners come in for increases, and in a short time our Nation will be confronted with a tug-of-war between the producers and distributors of commodities on one side and the wage earners on the other. Why, under such conditions our economy will soon become engulfed in a spiral of inflation that will not only wipe out the savings of millions of our people, but will curtail our productivity now, and impair it in post-war years.

For everyone of us, as taxpayer, consumer, worker, businessman, or farmer, subsidies mean simply an insurance policy—a small payment made to avert an infinitely greater one which would have to be made if we should be forced to pay inflated prices for our staggering war program. It has been conservatively estimated that our war cost would have been increased by \$68,000,000,000 had we paid for material at World War No. 1 inflated prices. It is amounts of this magnitude or larger with which we are dealing when we question whether it is wise to spend a few hundred millions to hold back the tremendous forces which are now pent up in our economy.

In order to appraise the value of our present program we need but compare the cost of living for the first 4 years of World War No. 1, when we had very limited controls and no subsidies, with the first 4 years of World War No. 2, and we find that in terms of the total cost of living, World War No. 2 is 25.4 percent less than World War No. 1.

Subsidies should by all means be supported because they are an essential tool to do the stabilization job which must be done if we are to win the war and win the peace.

Chairman GRANIK. Thank you, Senator ELLENDER. Next, Representative LOUIS E. MILLER, of Missouri. Congressman MILLER.

ADDRESS BY REPRESENTATIVE LOUIS E. MILLER

The purchase of next year's election is under way. That is what the subsidy program is intended to do. So let's call things by their right names. The proposed subsidy is in fact a subterfuge to hide the inflation that is already here. The loose fiscal policies of this administration over a period of 10 years have sown the seeds of inflation deep in our economic soil. A stable currency was devalued; extravagance extolled and frugality frowned upon.

The deadly poison of deficit financing, coupled with its philosophy of scarcity has brought us face to face with its fallacies. Let us get a few fundamentals firmly fixed in our minds. Rising prices are not the cause of inflation—they are the result of inflation—caused by the bungling of our fiscal and economic affairs.

It is claimed that there is too much purchasing power for the amount of commodities available and that subsidies are the cure for this condition. I deny this. On the contrary, subsidies would only aggravate the situation, because, if the Government pays a part of everyone's grocery bill, it leaves everyone with that much more money with which to buy the things for sale. In short, subsidies create more inflation. This is only the beginning, because you are saved but \$3.92 on your 1943 grocery bill and you must pay back in interest and cost of administration \$9.15 at some future date.

The Government has no money of its own and you must be taxed to pay this back. Is it fair, is it patriotic to ask the boys who fight and die for \$50 a month to pay a part of your, my, or Rockefeller's grocery bill? Do you want to put everyone partly upon relief, when people are earning the highest wages in history?

The solution to this question is not subsidies, which means more taxes, more debt which you must pay, more bureaucrats, and more bungling and waste. The only solution, aside from changing administrations, is more production of foodstuffs. (1) Give the farmer the manpower and the mechanical means to do the job, and give him a price which will be an incentive to produce. (2) Reduce excessive Government spending, hoarding, and waste. (3) Siphon off through enforced savings or taxes any excess-purchasing power above what is needed to purchase necessary, available goods at a reasonable price; but put this in trust as a nest egg for the post-war period.

Subsidies have been tried and have failed. More than a year ago Congress passed a Price Control Act, but there has been no all-out attempt to enforce it. No one then asked for consumer subsidies to control prices. The New Deal waited until a year before election and attempted to seize upon this device to bail itself out of a mess created by its own inefficiency, lack of courage and action.

Chairman GRANIK. Thank you, Congressman MILLER. We now hear the consumer's point of view. Mrs. Esther Cole Franklin, of the American Association of University Women. Mrs. Franklin.

ADDRESS BY MRS. ESTHER COLE FRANKLIN

As an unofficial spokesman for American consumers, I should like first to say that neither the smoke screen of special-interest propaganda nor the barrage of political bickering can entirely conceal the elementary facts about subsidies and the cost of living.

To prevent inflation in a war economy, it is essential that the Nation use every effective and reasonable tool.

Because we have failed to use some of the more important tools at hand, the burden of stemming the inflationary tide has fallen more and more on the price control machinery. To make price control work and

secure maximum production, when we cannot fix prices at the source, it is obviously necessary to use incentive payments to producers or processors.

Clearly, the only alternative to this use of subsidies is to start adjusting prices upward to cover increases in costs in various parts of our economy—thereby giving rise again to the inflationary spiral. The proposed ban on subsidies would open the gates to an immediate rise of approximately 10 percent in living costs, would stimulate wage increases, and result in serious dislocation on the home front.

The extra expenditures from the National Treasury for equipping and supplying the fighting forces would amount to far more than the subsidy payments.

Why should we not profit from the successful experience of Great Britain and Canada? Both countries have found the food subsidy an effective instrument in stabilizing the cost of living. But we need not look abroad. Food prices have been held down—even decreased—here at home since subsidies were instituted.

On a recent trip through seven States I had opportunity to talk with hundreds of consumers whose major concern was with the continued flow of basic necessities, and the prevention of further price rises. They favored the use of subsidies where necessary to achieve these purposes. They do not support the indiscriminate use of subsidies; they know that subsidies alone will not check inflation. But the limited and careful use of subsidies is an almost universal plank in the consumer's platform.

When the benefits of subsidies are so apparent, I confess I have been at a loss to understand the vehemence of the opposition. Gradually, however, the reason has emerged from the confusion of argument. Amazingly enough, the opponents of subsidies are opposed to price control itself. They actually want inflation. Apparently forgetting the role of responsible citizens in a nation at war, they want any and every chance for immediate profits for the few. What we need today is a broader view of our national interest based on a knowledge of economic facts.

Chairman GRANIK. Thank you, Mrs. Franklin. And now, Mr. Charles W. Holman, Secretary of the National Cooperative Milk Producers' Federation. Mr. Holman.

ADDRESS BY CHARLES H. HOLMAN

Farmers do not want subsidies payment forced upon them, and I do not believe that consumers would if they knew the facts. Subsidies reduce food production and lead to food scarcity. Subsidies are wasteful. Subsidies are inflationary. Wartime subsidies mean postponing food payments until the boys and girls in our military forces return to assume the payment of these debts.

But for us left at home, subsidies will increase our present taxes, and the food subsidy bill now totaling \$1,272,000,000 annually will increase and increase and increase as the months go by. As subsidies increase, taxes will have to increase.

Since the beginning of our organization, the N. C. M. P. F., before the last World War, our people have given organized expression to their objection. Since at least 1935 we have been resisting in every way we could the determined efforts of the present administration to fasten some kind of subsidy upon the individual dairy farmer. As early as that year an effort was made to make individual payments to dairy farmers for reducing their individual milk production. Due to our resistance the Government temporarily abandoned this quasi-political move but evidently has kept it in mind all the time; for the last subsidy—misnamed a feed subsidy—is now to be administered by the A. A. A. county committees, thus maintaining an army of about 125,000 part-time employees for such time as the subsidy may be allowed by Congress to continue.

Today the dairy farmer is the most regimented of all farmers. Today every producer of any kind of dairy product is the unwilling recipient of a subsidy hinged around with regulations.

Since the enactment of the price-control legislation the administration has continually thwarted the desires and will of the Congress with respect to flexible price ceilings. We believe the time has now come when the Congress, in addition to prohibiting any further grants of food subsidies except in isolated instances, should require the administration to guarantee minimum prices to producers of dairy products and to make the price ceilings flexibly conform to the guaranteed prices. We are confident that the vast body of consumers can easily pay the slight increases in prices of milk and its products to maintain and even increase production. For those who can't, I think we should frankly recognize the fact that there may be many types of persons who for lack of income or for lack of skill cannot earn sufficient to maintain themselves according to decent standards of living. The right of persons of this kind of a supplement to their income should be recognized and provided for by Government.

Chairman GRANIK. Thank you, Mr. Holman.

The American Forum of the Air continues with its round-table discussion of Subsidies and the Cost of Living.

Suppose subsidies are scrapped, as the House has voted, Congressman MILLER, do you favor the removal of all price limitations on farm products?

Congressman MILLER. Indeed, I do not. I favor not only the retention of whatever limitations we have at present on farm products—the price of farm products—but I favor more rigid enforcement of the controls of the Price Control Act. One of the reasons for the present plight is the fact that there has not been any honest-to-goodness attempt to enforce the provisions of the Price Control Act which was enacted by the Congress more than a year ago. The break in the dam occurred when the President insisted upon the right to control wages, and you know the score there. All you need to do is to ask John L. Lewis.

Senator ELLENDER. I do not quite agree with Congressman MILLER in that respect. Considering that price control meant a virtual change overnight of our normal and customary way of doing business, I do believe a good job has been done. A lot has been said about John L. Lewis and his lot in helping the miners, but I believe that if the facts are investigated in respect to this pay increase, it will be found that the miners of the Nation must work 13 hours more per week for the increase that has been given to them in recent months. Their basic hourly wage has not been increased.

Mr. HOLMAN. Senator ELLENDER, let me interpose here. Is it not true that the President's hold-the-line order was really an Executive order which paralyzed the operation of the O. P. A., W. F. A., and the Agricultural Marketing Agreement Act?

Senator ELLENDER. I cannot agree with you, Mr. Holman. On October 2, 1942, the Congress passed a law whereby we ordered the President to stabilize prices and wages at their September 15, 1942, levels. There was some flexibility whereby certain prices and also certain wages were adjusted. You must realize that the problem was a difficult one. Contrary to the belief that was expressed by Congressman MILLER, a few moments ago, I am of the firm opinion that this administration has done a wonderful job in stabilizing prices and keeping the cost of living at the figure that is now prevailing.

Congressman MILLER. Senator, do you realize that if the proposed subsidies which you favor are retained and, for example, if additional subsidies are given from time to time, instead of keeping down the cost of living you will actually contribute to the cost of living?

Senator ELLENDER. No; I do not agree with the Congressman. You stated in your opening remarks that the amount saved is only \$3.53 per person. Now, that is in the nature of a small insurance premium that the taxpayers are called upon to pay in order to keep the price of commodities down. When I say commodities, I mean not only those subsidized, but all others. By subsidizing some, others are prevented from rising. Just as surely as I am addressing you tonight, unless we can keep the prices down through the payment of these small amounts, there is not any question that if the dam is once broken the cost of living will skyrocket.

Congressman MILLER. Do you not recognize that the cost of living has increased just one-third to the extent that wages have risen in the last 4 years? For example, the cost of living, according to the Bureau of Labor Statistics, has risen 25.1 percent, I believe, and the weekly rate of pay of all employed people in industry has risen to 67 percent, approximately three times the cost of living.

Senator ELLENDER. We can prove almost anything with statistics, depending on how they are manipulated. The basic rate of pay has not been very much increased if at all since September 15, 1942. The increase that the distinguished Congressman refers to applies to a very small segment of our millions of employees. The increase applies principally to the millions employed in shipbuilding and the like—mostly new industries.

Congressman MILLER. How about the fact that we have fifteen to twenty billion dollars excess in purchasing power each year?

Mrs. FRANKLIN. Congressman MILLER, what authorization has been granted by Congress that has not been picked up and put into effect on the anti-inflation front? Is it not true that it was the wishy-washy action of Congress in not granting these controls that caused us to fail, in some points, in the inflation machinery?

Congressman MILLER. I was not in the Congress at that time, but I can say that from information given to me by both Democratic and Republican colleagues, the Congress passed the Price Control Act as was requested by the President more than a year ago. He himself has had the control of that. He has had the superintendence over its functions. He has selected those who have attempted to administer it, but one of the faults lies in the fact that we have eight or nine separate and independent agencies attempting to control prices in this country.

Mr. HOLMAN. I agree with Congressman MILLER to some extent, but I want to pick up the question about whether the President did not freeze the operation of the Price Control Act. Now, I speak with some degree of experience in this matter. Ever since the executive order was issued there has been practically no change in milk prices. On the other hand, the dam which you speak of has been broken and overflowed, also, through the spillway, with respect to the continuous rise in wages, going far beyond the 15 percent Little Steel formula.

Senator ELLENDER. Mr. Holman, that point has been argued to a considerable extent, but I have discussed the matter with members of the War Labor Board and all of them to whom I spoke tell me that the Little Steel formula has not been breached. It is my honest opinion that so long as we are able to maintain the Little Steel formula we ought to do so, and the moment that the prices of commodities rise, then I can see labor come in and justly ask for an increase of their basic wages. When that occurs, God pity us. The flood will be so great that we will be unable to prevent inflation from engulfing us.

Mrs. FRANKLIN. I want to ask Mr. Holman one question. Is it not true that there are other groups that have profited by the war? Is it not true that farm prices averaged, in 1943, 175 percent of the 1935-39 average? Is it not true that cash income from farm sales will this year average 240 percent of that

period and that the actual, realized, net income for farm operators will average 266 percent of that period? I happen to represent the fixed-income group. I want to keep prices down.

Mr. HOLMAN. I do not know that I can answer all of those questions in the short time I have here, Mrs. Franklin, but it is true that farms prices in relation to the 1935-39 index are 181 percent. It is true, also, that nonagricultural income payments, which means the wages of industrial workers, as compared to 1913, are 359 percent, as compared with 1929 are 73 percent higher. I think that we could go a long way, as Senator ELLENDER says, in shooting statistics at each other, but the facts are that today the American people, with the exception of a few, are in a far better position to pay these moderate food prices than they have been at any time since the last World War.

Senator ELLENDER. Mr. Holman, I need not ask you the question, but as I understand, you contend that the alternative to subsidies is higher prices.

Mr. HOLMAN. Moderate prices.

Senator ELLENDER. How can you hold commodities to moderate prices? How can that be brought about? If you take the lid off the price of butter or milk and let people who have the money buy all the butter and milk they desire, what do you think will be the increase in the price of butter and milk, say, in the next 6 months?

Mr. HOLMAN. Senator, I have answered that question to you two or three times before committees. My answer is this: That, by and large, milk will take a cent to a cent and a half rise a quart in the cities. In some communities in the South it will run from 2 to 2½ cents. On the Pacific coast it will run about the same, and in the East it will run about 2 cents a quart.

Senator ELLENDER. And that, of course, will make wages go up, which necessarily again will affect the price of milk production and before the 6 months are up, you will be back again for higher prices.

Mr. HOLMAN. Senator, there is a fallacy in the argument on the subsidy action. It is based upon the assumption that the present relationship of purchasing power to prices is what it ought to be when, as a matter of fact, the income of the cities is so far out of line in comparison to the income of the country districts that you cannot follow through on that basis. Of course, labor will try to hold its advantage. Of course, labor will insist upon more, but the question is, Should labor have more?

Mrs. FRANKLIN. Mr. Holman, I should like to ask whether parity as now defined was not considered quite adequate from 1933 through 1942? What I really want to know is why you should object today to a subsidy in which both farmers and consumers share when you have fought so hard for subsidies for farmers in the past.

Mr. HOLMAN. Parity is one of those figures we created in 1933 purely as a legislative yardstick to help the farmers a little, and nobody thought it would be in existence for more than 2 or 3 years.

Mrs. FRANKLIN. You did not expect to reach it, in other words.

Mr. HOLMAN. It was so moderate that we expected it to be superseded by more adequate prices within a short length of time.

Congressman MILLER. The Senator raised an interesting question a moment ago. He mentioned butter and predicted it would go up 5 or 10 cents a pound. That recalls that through lend-lease operations in north Africa we have a 100 percent subsidy program. That is, we are sending the Arabs there everything from diapers to butter. We recently shipped them a quantity of diapers—100,000 ready-made diapers and material for 600,000 more, and the Arabs, not knowing exactly what to do with them, made turbans out of them. They used a shipment of butter as a body

ointment. If we continue to send butter to Africa, and if we attempt to grease all the Arabs in Africa, Lord only knows what the price of butter will be.

Senator ELLENDER. You are evidently just trying to be facetious, I'm sure, but the fact remains, Congressman MILLER, that there is no question that if such important foods as butter, milk, and bread go up, the prices of all commodities will be upped with them, and with that, the cost of living is going to rise, and rise quickly. After it starts, there will be no way to stop it, because wages will be raised which will again affect commodity prices and the spiral of inflation will be set in motion.

Congressman MILLER. That is pure speculation, in my judgment. You have no figures and neither has any so-called economist any figures to prove that.

Senator ELLENDER. But listen—

Congressman MILLER (interposing). Just a moment. In World War No. 1 wheat went to two-dollars-and-something a bushel; today it is one-dollar-and-thirty-odd cents a bushel. The price of bread is not 1 cent different per pound.

Senator ELLENDER. I disagree with that. Bread is selling now for 9 cents, and as I recall it after World War No. 1 it went up to as much as 15 cents when inflation began to take hold of our economy.

Mr. HOLMAN. In 1918 the retail price of white bread was 10 cents a pound; in November 1943 it was 9 cents a pound, a national average. In 1918 the price paid to farmers for wheat was \$2.06 a bushel and now it is \$1.37 a bushel. I want to ask Mrs. Franklin whether she will pay 10 cents more a pound for butter if her 16 points are reduced so that she can get a pound of butter a week instead of the present fifth of a pound?

Mrs. FRANKLIN. No, Mr. Holman; I will use oleomargarine.

Senator ELLENDER. Let's get down to cases.

Congressman MILLER. I pity you, Mrs. Franklin. Did you know, for example, that if we pay the subsidies that have been in vogue here and which are asked to be continued, that the average family will be saved approximately 30 cents a week? That is all.

Senator ELLENDER. But this 30 cents, as I have indicated, will keep other commodities from rising by keeping the lid down. You are familiar with the stock market in New York. You may not gamble on it but you know that if the price of oil goes up it affects the stocks in and the price of aluminum, steel, and everything else. By the same token, any time that you permit the price of any staple commodity to go up the price of almost every other commodity is lifted with it.

Congressman MILLER. When the Government starts paying a part of your grocery bill and my grocery bill and Rockefeller's grocery bill, we have just that much more money to buy beer with, to buy stocks, or something else. Is it not reasonable to assume that then we are going to become more competitive with each other and boost the price of things?

Mrs. FRANKLIN. Have you considered what the people want?

Congressman MILLER. Yes; the people want first of all, and I think they will answer that next year, to change the administration.

Mrs. FRANKLIN. If subsidies are thrown out, they will—at least in Congress.

Mr. HOLMAN. Let's see what happened to milk and other dairy products in the last year. The production of creamery butter has declined 13 percent, cheese 4 percent, evaporated milk 7 percent, dried skim milk for human food 35 percent, and the total decline in milk products is 2.4 percent.

Senator ELLENDER. Mr. Holman, you know yourself that that is due principally to the fact that our animal production has increased so much that the feed that is now produced

is not sufficient to take care of all of them adequately. Just stop and think of this: The hog population has increased over 50 percent, cattle 25 percent, and poultry 50 percent, and all those are consumers of feed such as corn, oats, and other grains and hay. The production of feed has increased only 6 to 10 percent over our pre-war figures.

Congressman MILLER. We have no shortage—

Mr. HOLMAN (interposing). Just a moment.

Congressman MILLER. May I say that we have no shortage of essential commodities at all. We have a shortage of efficiency in the administration of the Price Control Act and in the getting to market of the things that we need. For example, today Government warehouses are bulging with food of all sorts. Just a week ago a trade journal announced that they proposed to sell 1,000,000 cases of canned peas, 1,000,000 cases of peaches, 27 carloads of catsup, and 2,700,000 cases of grape juice.

Mrs. FRANKLIN. It is quite true that in wartime it is impossible to see ahead exactly in the military theaters. You know that quite well, and yet it is necessary today to produce all we can produce. It is my belief that subsidies will have about the same effect on production as an increase in prices in the open market. I notice that the United States Department of Agriculture Crop Report of December 10 indicates that there was an abnormally sharp decline of milk production from August through October which appears to have slackened, and that during November the production decreased less than usual for that month. Evidently subsidies have had their effect.

Mr. HOLMAN. Many times I disagree with the Department of Agriculture and usually our figures come out right. I say that it is a 2.4 percent decrease in the past year, and let me tell the Senator something. Since January 1941, and that is the test we are putting on this thing, farm wages have gone up 112 percent.

Senator ELLENDER. That is not the basic wage. Quite a lot of overtime work has been added to the weekly pay envelope.

Mr. HOLMAN. That is what the farmer is having to pay the farm hand. Prices paid for feed are up 68 percent. Those are some of the things we have to deal with. The present subsidy program, even if it is to continue (and I fear it will) will not stop this inevitable trend toward scarcity in dairy products.

Senator ELLENDER. I notice, Mr. HOLMAN, that your cooperatives have advocated that ceilings should be removed from corn. How can you argue that that will help out any if, as you know, the removal of ceilings from corn, will make the price skyrocket?

Mr. HOLMAN. Our people are in competition with hogs and beef cattle. The ceilings on corn were designed primarily for protecting the hog man. If the price of \$1.07 were raised to \$1.16 that would leave an adequate profit to the hog man for feeding.

Senator ELLENDER. How could you force him to sell his corn?

Mr. HOLMAN. By raising the ceilings up to a competitive point so that we can enter the market and buy it in competition with the hog man. We would like to do it.

Senator ELLENDER. And with that price of milk and all dairy products will skyrocket, and I am certain that higher prices for hogs will certainly result should corn go up.

Mrs. FRANKLIN. You would really like to see inflation, would you not, Mr. HOLMAN?

Mr. HOLMAN. No, but let us say something about the buying power of your town people. In August of this year, real wages were 154 percent as compared to the cost of living.

Congressman MILLER. Let me ask you a question. If you think it is proper and right, for example, to pay a nickel on the dollar of everyone's grocery bill, why is it not equally

right to pay 50 cents on the dollar or pay the entire grocery bill?

Mrs. FRANKLIN. I would like to throw the question back to you by saying that there is evidently a misconception about the use of subsidies. There seem to be good subsidies and bad subsidies in your mind. You want the kind of subsidy whereby a few people make the profit; we want the kind of subsidy which will help the entire Nation at war.

Congressman MILLER. I do not want the kind of subsidy—the unpatriotic kind—which pushes off on the boys who are fighting the battles for us today a debt that we should pay. Do you want the Government to pay your entire grocery bill?

Mrs. FRANKLIN. The debt will be much greater to the Government.

Congressman MILLER. In what sense of the word? It simply could not be.

Senator ELLENDER. Congressman MILLER, just a moment. If the subsidies are removed the 1st of January, it will mean that the cost of living will rise 8 or 10 percent.

Congressman MILLER. I deny that. There is nothing on which to base that.

Senator ELLENDER. I said in my opening statement what will happen. Since September 15, 1942, the cost of living has risen 5 percent. If subsidies are removed the cost of living will rise another 3 or 4 percent. Certain commodities will go up, and with the rise in cost of those commodities, other commodities will go up and you will have a tug of war, as it were, between producers and distributors of commodities on one side and wage earners on the other.

Congressman MILLER. You did state that, but that almost ruptured my credulity when I tried to believe it.

Mrs. FRANKLIN. But it is true, Mr. MILLER, is it not, that actually today the subsidies in force are holding down the cost of living about 7 percent on food costs and at least 3 percent, and somewhat more, on the overall cost of living?

Congressman MILLER. I do not believe that the present small subsidies have any effect whatsoever on the cost of living. For example, what effect would \$450,000,000 have in trying to hold back a yearly purchasing power of \$25,000,000,000 in the market? If you are correct in your assumption, we will say that \$1,000,000,000 a year paid in subsidies would roll back prices 10 percent. Why not pay \$10,000,000,000 and roll back prices all the way?

Mrs. FRANKLIN. On one thing I am quite in agreement with you, and that is that we need other, stronger measures besides price control with subsidies to keep down the cost of living, but I do say that in the absence of those measures, certainly you have got to use subsidies or prices will rise rapidly.

Congressman MILLER. The most striking example of the extended use of subsidies was in Rome in the days of Gracchus. He started out giving them small quantities of corn, and increased it until he gave them all they needed—free circuses and free baths—and the Roman Empire was destroyed.

Mr. HOLMAN. Senator ELLENDER, with respect to your statement that the cost of living will go up 10 percent, here is what actually happened between 1929 and September 1943. The wholesale prices of food (and that will be the farmer's relation to price) went up 6 percent, and the retail prices of foods went up only 4 percent. Between January 1941 and September 1943 the wholesale prices went up 43 percent and the retail prices 40 percent. Between September 1942 and September 1943 wholesale prices went up 2 percent and the retail prices 8 percent.

Senator ELLENDER. Do you not think that the stabilization program had something to do with that good showing of the small rise since September 1942?

Mr. HOLMAN. I do not think that the shift between the farmer and the consumer will

have such great pyramiding as you seem to fear. I think that those rates, those spreads as we call them, particularly in the milk business, are pretty well fixed.

Mrs. FRANKLIN. According to your logic, subsidies have no effect at all, and the economic stabilization has no effect at all. Why are you arguing about it?

Mr. HOLMAN. They have the effect of increasing the public debt, and the big reason why our farmers do not like subsidies (especially our 3,000,000 dairy farmers) is that we do not like the yoke of Government regulation, with implied favors given to us to make us try to stay in line under a program of New Deal regimentation.

Mrs. FRANKLIN. But, after all, gentlemen, we are in a war and we would like to win that war. We would like to do it without ruinous inflation.

Congressman MILLER. And the fact that we are in that war should give us the spirit of sacrifice among us. We should not ask a future generation to pay part of our grocery bills when we are making more money than we ever made before.

Senator ELLENDER. The amount you are asked to pay, as Mrs. Franklin pointed out, compared to what it will be if you let the lid off, will be far less. You challenge these figures. Will you challenge this? The total cost of living during the first 4 years of World War No. 1 rose 50.3 percent, and during the first 4 years of this war it rose only 24.9 percent.

Mrs. FRANKLIN. Economic stabilization has been effective, and that is what is the matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Kansas [Mr. REED].

The amendment was agreed to.

Mr. PEPPER. Mr. President, I have an amendment at the desk, which I should like to have reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. (a) In the administration of the Stabilization Act, approved October 2, 1942, the President shall issue a general order with respect to wages and salaries, permitting any increase in straight-time hourly earnings which does not result in increasing such earnings to a point more than 18 percent above the level of January 1, 1941.

(b) The provisions of this section shall apply with respect to increases in wages or salaries occurring on or after July 1, 1944, the date as of which the prohibition in section 3 of this act against the making of certain payments to aid in reducing or preventing increases in maximum prices becomes effective.

Mr. PEPPER. Mr. President, if I may have the attention of the Senate for a moment, I have three amendments on the desk. I am aware of the lateness of the hour, and the fatigue of Senators, so I shall just make a brief explanation of the amendments.

On the first amendment I shall ask for the yeas and nays, but I shall not make any protracted remarks about it, because I think all the amendments are very clear, and I believe it would be fair to the Senate if I did not take time at this hour, but I think the Senate will be willing to be fair to me, and give me a yeas-and-nays vote on the first amendment, when Senators appreciate the significance of the proposal.

Mr. President, the Little Steel formula was based upon the concept that at the time it was put into effect the cost of living had increased 15 percent since January 1, 1941. The Bureau of Labor Statistics now admits—and it is a conservative estimate that the cost of living has increased 23.4 percent, or, as the Bureau of Labor Statistics prefers to say, 23 percent plus or minus. That is already 8 percent more than the Little Steel formula. Yet day before yesterday afternoon the Senate knocked out the subsidy, which action, according to the statement of the able Senator from Alabama, had the inevitable effect of increasing the cost of living 3 percent more. It increased the cost of food 7 percent and the cost of living 3 percent.

Mr. President, we took 3 percent out of the wage and salary of every worker in the United States day before yesterday afternoon, if what we did shall become law. Already, under the Little Steel formula prohibitions, they were receiving 8 percent less than the increase in the cost of living.

What I propose is only fair, in my humble opinion. Let us direct the President, as the amendment would do, to allow the War Labor Board to increase the Little Steel formula 3 percent, so that the employer may compensate his employees for the 3 percent we added to the cost of living here in the Senate this week when we adopted the committee amendment.

Mr. President, that is a clear-cut, simple proposal. We either want to take 3 percent of their wages and salaries away from the working men and women of the United States, or we do not. That is a simple decision for a Senator to make.

I think the language of the amendment is clear, and I shall indulge myself in reading it, and conclude:

In the administration of the Stabilization Act, approved October 2, 1942, the President shall issue a general order with respect to wages and salaries, permitting any increase in straight-time hourly earnings which does not result in increasing such earnings to a point more than 18 percent above the level of January 1, 1941.

That, of course, adds 3 percent to the Little Steel formula of 15 percent.

The amendment provides in the second part that this increase shall not go into effect until the prohibition against the subsidy provided for in the pending bill shall go into effect.

Mr. President, I do not believe Senators wish to diminish the wages and salaries of the working men of America by governmental order, yet unless we compensate, permissively, at least, for the inevitable effect of what we did this week, we shall do exactly that.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. I understand that the Senator's amendment would order the President, direct him, to have issued, through the various agencies, increases up to 18 percent, instead of 15 percent.

Mr. PEPPER. That is correct.

Mr. BARKLEY. Does not the President already have authority to do that through his agencies?

Mr. PEPPER. The President may have authority to do it, but we did not

leave it up to the discretion of the President to increase the cost of living or not. When the Maloney amendment was defeated, the Senate, by its own vote, raised the cost of living 3 percent upon every household table in America. This amendment proposes compensation for that. It directs the President to move the lid of the Little Steel formula up 3 percent more. It does not make it imperative that the employer give the increase, but at least we make the President, by the Senate decree and the Congress' direction, lift the lid 3 percent higher, which is the inevitable effect of what we did here on the cost of living when we prohibited the subsidy.

Mr. BARKLEY. Will the Senator yield further?

Mr. PEPPER. I yield.

Mr. BARKLEY. Of course, no one knows what is going to happen about the question of subsidy, notwithstanding the passage of the pending bill through the Senate. Does not the Senator think we really should wait, if we desire to legislate on wages, to see what the final determination is to be?

Mr. PEPPER. That is taken care of in the second part of the amendment, which I shall read to the able Senator:

(b) The provisions of this section shall apply with respect to increases in wages or salaries occurring on or after July 1, 1944, the date as of which the prohibition in section 3 of this act against the making of certain payments to aid in reducing or preventing increases in maximum prices becomes effective.

In other words, when the amendment becomes effective, this increase in wages will become effective.

Mr. BARKLEY. The Senator is assuming that the amendment to which he refers as a part of the bill is to become effective, and that the bill itself will become effective. The point I make is that I do not think we know about that yet. Personally, I have grave doubt about whether the bill will become effective. But most Senators still think we might well wait and find out what the outcome will be.

Mr. PEPPER. No, Mr. President; because the increase of 3 percent does not become effective unless the subsidy provision which has been stricken out becomes effective. In other words, unless subsidies are abolished and the cost of living is increased 3 percent, this lift of 3 percent in the War Labor Board's directive, called the Little Steel formula, does not become effective. I think that is clear.

Mr. President, I shall not impose further upon the Senate, but I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CHANDLER (when his name was called). Concerning my pair with the Senator from Pennsylvania [Mr. DAVIS], I repeat the announcement I made on the previous roll call, and will vote. I vote "nay."

Mr. TYDINGS (when Mr. RADCLIFFE's name was called). My colleague the Senator from Maryland [Mr. RADCLIFFE] is necessarily detained on important

business. If present, he would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer my pair to the junior Senator from Nevada [Mr. SCRUGHAM]. I do not know how either the Senator from New Hampshire or the Senator from Nevada would vote if present. I have made the transfer so I may vote. I vote "yea."

The roll call was concluded.

Mr. REYNOLDS. I have a general pair with the senior Senator from Nevada [Mr. McCARRAN]. I do not know what his attitude would be respecting the pending amendment. If I were at liberty to vote I should vote "Nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Indiana [Mr. JACKSON], the Senator from New York [Mr. MEAD] and the Senator from Louisiana [Mr. OVERTON] are detained on public business.

The Senator from Virginia [Mr. BYRD] is absent on public business. I am advised that if present and voting he would vote "Nay."

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from Pennsylvania [Mr. DAVIS], the Senator from California [Mr. JOHNSON], the Senator from Colorado [Mr. MILLIKIN], the Senator from Ohio [Mr. TAFT], and the Senator from West Virginia [Mr. REVERCOMB], are necessarily absent.

The Senator from Indiana [Mr. WILLIS] has a general pair with the Senator from Indiana [Mr. JACKSON].

The Senator from Wyoming [Mr. ROBERTSON] has a general pair with the Senator from Wyoming [Mr. O'MAHONEY].

The result was announced—yeas 12, nays 57, as follows:

YEAS—12

Aiken	Guffey	Pepper
Bone	Kilgore	Thomas, Utah
Caraway	La Follette	Wagner
Downey	Murray	Walgren

NAYS—57

Andrews	George	O'Daniel
Austin	Gerry	Reed
Bailey	Gillette	Russell
Bankhead	Green	Shipstead
Barkley	Gurney	Smith
Bilbo	Hatch	Stewart
Burton	Hayden	Thomas, Idaho
Bushfield	Hill	Thomas, Okla.
Butler	Holman	Truman
Capper	Johnson, Colo.	Tunnell
Chandler	Lucas	Tydings
Chavez	McCiellan	Vandenberg
Clark, Idaho	McFarland	Walsh, Mass.
Clark, Mo.	McKellar	Walsh, N. J.
Connally	Maloney	Wheeler
Danaher	Maybank	Wherry
Eastland	Moore	White
Ellender	Murdock	Wiley
Ferguson	Nye	Wilson

NOT VOTING—26

Ball	Jackson	Radcliffe
Brewster	Johnson, Calif.	Revercomb
Bridges	Langer	Reynolds
Brooks	McCarran	Robertson
Buck	McNary	Scruggs
Byrd	Mead	Taft
Davis	Millikin	Tobey
Glass	O'Mahoney	Willis
Hawkes	Overtton	

So Mr. PEPPER's amendment was rejected.

Mr. PEPPER. I offer another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

Sec. —. (a) In the administration of the Stabilization Act, approved October 2, 1942, the President shall issue a general order permitting any increase in wages or salaries which will not result in increasing such wages or salaries to a point above the subsistence level, as determined by the Bureau of Labor Statistics. Such Bureau is authorized to determine the subsistence level for the purposes of this section.

(b) The provisions of this section shall apply with respect to increases in wages or salaries occurring on or after July 1, 1944, the date as of which the prohibition in section 3 of this act against the making of certain payments to aid in reducing or preventing increases in maximum prices becomes effective.

Mr. PEPPER. Mr. President, to save the time of the Senate I shall not ask for the yeas and nays, and shall simply offer a word of explanation concerning the amendment.

As Senators know, Mr. Davis, of the War Labor Board, and his Board have promulgated a rule that an employer cannot increase the salary or the wage, or, to put it in another way, the employer must apply specifically through the War Labor Board if he desires to increase the salary or wage of a worker above 40 cents an hour. What my amendment provides is that respecting those persons in the country who receive wages or salaries less than a subsistence level, as defined by the Bureau of Labor Statistics, the employer may raise their wages or salaries without having to obtain the express permission of the War Labor Board so to do.

In other words, they are the people upon whom what we have done is going to bear most heavily. They are already impoverished, and we have added 3 percent more to their poverty by diminishing the subsidy power of the Government. It seems to me, therefore, that we might be willing to make the War Labor Board remove any prohibition against any willing employer increasing the wages or salaries of workers who are below the subsistence level, if the employer chooses to do so. My amendment directs the President to permit that to be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

The amendment was rejected.

Mr. PEPPER. I have still another amendment which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. (a) All pensions, disability, or death compensation, and retirement pay, payable by any department or agency of the Government, are hereby increased to an amount 18 percent in excess of the amount provided by the law in effect on January 1, 1941, with respect thereto, except in cases where an equal or greater increase has already been made.

(b) The amounts of the allowances for quarters, subsistence, and dependents, payable to or with respect to members of the armed forces of the United States or their dependents, are hereby increased by 3 percent.

(c) The amount of any payment of old-age and survivor's insurance payable to any individual under title II of the Social Security Act is hereby increased by 18 percent.

(d) Every individual entitled to overtime compensation or additional compensation under the War Overtime Pay Act of 1943 shall, in addition thereto, be paid additional compensation at a rate of 3 percent of so much of his earned basic compensation as is not in excess of \$2,900 per annum.

(e) In determining the amount to be paid to any State with respect to old-age assistance under title I of the Social Security Act for any quarter which begins while the increases provided for by the foregoing provisions of this section are in effect, the maximum amount of the expenditure with respect to any individual which may be counted for any month is hereby increased by 18 percent.

(f) In any case in which the increased payments provided for by this section are paid out of any trust fund or retirement fund, the Government shall pay into such fund an amount sufficient to reimburse it for the increase in payments provided by this section; and such appropriations as may be necessary for that purpose are hereby authorized.

(g) The increases in payments provided by sections (a) to (d) of this section shall be paid for the period beginning with July 1, 1944 (the date as of which the prohibition in section 3 of this act against the making of certain payments to aid in reducing or preventing increases in maximum prices becomes effective), and ending with June 30, 1945, or such earlier date as the Congress by concurrent resolution may prescribe.

Mr. PEPPER. Mr. President, I shall not take more than a moment of the time of the Senate on this amendment. Generally speaking, it would do two things. First, it would give the benefit of the Little Steel formula to the recipients of Federal payments—for example, to veterans of the Spanish-American War, veterans of World War No. 1, and persons receiving retirement benefits, if they have not already received a 15-percent increase; veterans of the Spanish-American War and veterans of the World War have not. The House has passed a bill providing for such increases, and I believe a similar bill has been favorably reported by the Senate Finance Committee, but the Senate has not thus far acted favorably upon that measure. If such persons have received the 15 percent, they would receive an additional 3 percent, to take care of the increase in the cost of living as the result of the amendment prohibiting the subsidy.

The second category of beneficiaries of the amendment would be the dependent families of members of the armed forces. They would receive an increase of 3 percent in their allowances, because 3 per-

cent has been added by the Senate to the cost of living of those persons. An officer in the Army or an officer in the Navy or an officer in the Marine Corps who receives a subsistence allowance from the Government would have it increased by 3 percent, because when we prohibited the subsidy we increased the cost of living 3 percent. The beneficiaries of old-age and survivors' insurance would receive the 15 percent, if they had not already received it, and 3 percent in addition, even if they already had received the 15 percent. Government workers who have been receiving a 15-percent increase on the first \$2,900 of their salary, in accordance with the provisions of the bill Congress passed last year, would by the provisions of the amendment receive an additional 3 percent to take care of the increase in the cost of living entailed by the prohibition of the subsidy.

Those who are the beneficiaries of the old-age assistance provisions made by State and Federal Governments would receive their 18 percent or such portion thereof as they had not already received. Those who are the recipients of benefits under the Railway Retirement Act would receive the same increase which others would receive because of the increase in the cost of living.

Mr. President, of course the Senate has a perfect right to determine which of several courses it will pursue. It has a right to increase the cost of living if it chooses to do so. But the Senate should not be deceived about what it has done. The Senate has added 3 percent to the cost of living of every American family. Senators are presumed to realize the inevitable effects of their every act. Therefore, the Senate must decide the secondary question, "Will we reduce the wages and salaries of all workers in the United States, or will we provide some compensation for the increase in the cost of living which we have brought about by our prohibition of the subsidy?"

SEVERAL SENATORS. Vote! Vote!

Mr. PEPPER. Mr. President, I shall not impose on the Senate; I shall take only a moment or two more. I am sure Senators would not want to deprive me of that. Otherwise, of course, I shall insist upon my rights as a Senator.

I merely wish to say that Senators who do not believe in the subsidy have a perfect right to say they prefer some alternative. But I have not heard any Senator say he opening advocates an increase in the cost of living of the American people, without any compensation for it. Let us be honest with our people, Mr. President. If we do not like the subsidy, then let us either tell the American people honestly and frankly that we are willing to increase their cost of living without any compensation, or let us find some redress for our prohibition of the subsidy. Such a decision would seem to me to be a fair one. Yet all we have done, and, of course, all we shall do today, is to increase the cost of living 3 percent, but not even giving the poor the benefit of the stamp plan proposed by the Senator from Vermont [Mr. AIKEN] and the Senator from Wisconsin [Mr. LA FOLLETTE], or giving them any in-

crease in the compensation they receive from their employers, if they are privately employed, or in their public benefits, if they work for a public agency. That is what we have done and that is what we shall have done when this day is concluded and when we shall have finally voted on the pending bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. Of course, the Senator from Florida knows that the O. P. A. can roll back any price it wishes to roll back, without any subsidy.

Mr. PEPPER. Yes, Mr. President; the Senator from Maryland is absolutely correct about that.

Mr. TYDINGS. I mean if the price is higher than wages are, it should be rolled back. That is provided by the law we passed. Why are not the prices rolled back?

Mr. PEPPER. Very well, Mr. President; I desire to propound the following rhetorical question: Does the Senator mean to tell the American producer that we cut by 3 percent the price of his commodity, under the provisions of this bill?

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. If the American producer is receiving 3 percent above the line fixed to keep wages and prices in line, his price should be rolled back, just the same as wages have been held in line. There is no reason in the world to go into the subsidy business in order to keep prices and wages in line.

When Mr. Byrnes appeared before the Appropriations Committee, I asked him the exact question:

Is it not true that you have all the authority now to keep prices and wages in line, without any subsidy?

Mr. BYRNES. We have.

Mr. PEPPER. Mr. President, the Senator is absolutely correct; and, as usual, he puts the matter clearly. I simply want the public to know that when we vote this afternoon to prohibit the subsidy, we are doing one of two things: Either we are keeping down the prices that producers receive for their commodities, or we are making the consumers pay more for them. That is a perfectly proper choice; but I want us to be aware of the consequences of what we do, and to be sufficiently courageous to let the people know that we choose one or the other, instead of a subsidy.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. My position is that if any price rises so that it is above its proper relationship to wages, it should be reduced. Whether this, that, or the other price is higher or lower, I am not in a position to say. But if it is higher, certainly it is not fair to give the producer a 3-percent increase if he is receiving 3 percent more than he should receive, any more than we should give labor an additional 3 percent, if it should not get it in relation to the cost of living. It is just as unfair one way as it is the other.

Mr. PEPPER. Of course, Mr. President; but every Senator on this floor knows that with respect to a commodity which was the subject of a subsidy, we must either lower the price of the commodity to the producer or raise the price of the commodity to the consumer. We proved it by what we did yesterday with the Eastland amendment, when we took the 40-cent to 50-cent per hundredweight subsidy away from the price of milk. By the Eastland amendment we turned around and provided an increase in the price at the market place, which will have the effect of displacing the substitute for the subsidy prohibited. I voted for it; but that is what we did.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. The Senator is correct about that, except he should point out that the price-fixing authorities said the milk producers were entitled to that price, and that they wanted to make up a part of the price with the subsidy. If they are entitled to it, in relation to wages, they should get it without any subsidy.

Mr. PEPPER. That is all right; but the effect of what the Senator from Maryland has been saying is to tell the wage earners and the salary earners of America that henceforth they will have to pay more for milk. It is perfectly proper for Congress to tell them that; but let us be fully aware that that is the effect of what we are doing.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

The amendment was rejected.

Mr. CLARK of Missouri. Mr. President, I offer two amendments and ask unanimous consent that they be considered together, because they are really one amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments offered by the Senator from Missouri will be stated.

The CHIEF CLERK. On page 9, line 18, after the word "payments", it is proposed to insert the words "for any purpose whatever"; and on page 10, line 6, after the figures "1944", it is proposed to strike out the proviso, down to and including the words "by existing law" in line 23.

Mr. CLARK of Missouri. Mr. President, the purpose of this amendment is to strike out the provisions in the pending bill making a differentiation between good subsidies and bad subsidies. The Senator from Alabama [Mr. BANKHEAD] says that most subsidies are bad subsidies, but that there are certain subsidies which ought to be encouraged and perpetuated, and he exempts them from the operation of the bill.

Mr. President, all my life I have been opposed to subsidies. I was raised in a very hard school of Democratic politics, when the Democratic Party was opposed to all subsidies of every kind, character, and description. I am in sympathy with the general purposes of the measure introduced by the Senator from Alabama, but I am not willing to say that certain subsidies which happen to

affect people in Alabama, or in some of the other Southern States, or even in Missouri—much as I love Missouri—are to be perpetuated, but that all other subsidies are to be barred.

My amendment, briefly stated, is to eliminate the favored subsidies sought to be perpetuated by the bill of the Senator from Alabama. A vote of "yea" on my amendment would eliminate all subsidies. I am perfectly frank and open about that. I have been in that position all my life. If a Senator believes, as I believe, that we ought not to have subsidies, he ought to vote "yea" on my amendment. If any Senator believes that we ought to have certain little coddled, pet subsidies, having to do with particular territories, which subsidies are to be perpetuated by the passage of this bill, he ought to vote "nay" on my amendment.

On my amendment I ask for the yeas and nays.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. CLARK of Missouri. I shall be glad to yield for a question. Let us first ascertain whether or not we are to have the yeas and nays.

The yeas and nays were ordered.

Mr. CLARK of Missouri. I am glad to yield to the Senator from Florida.

Mr. PEPPER. I am favorably disposed toward the Senator's amendment, but I wish to be informed. Would it eliminate the payment of subsidies in connection with soil conservation payments, sugar payments, and other such payments?

Mr. CLARK of Missouri. It would strike out every subsidy I can find in the bill.

Mr. BONE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BONE. Before the vote is taken, I should like to inquire of the Senator from Missouri whether his amendment is restricted merely to the subsidies contained in the bill, or how deeply into the subsidy question his amendment goes. It intrigues me very much. I have in mind ship subsidies.

Mr. CLARK of Missouri. My intention is to go to the heart of the subsidy question. I am opposed to all subsidies.

Mr. BONE. I understand. The Senator and I have discussed the subsidy question on the floor of the Senate for many years. If his amendment went to the entire subsidy field it would be most intriguing. I wonder whether it is confined merely to the operations under the bill.

Mr. CLARK of Missouri. I am catching all the subsidy provisions I can find in the bill.

Mr. BONE. But that does not touch the whole subsidy field.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. In all frankness the Senator ought to say that his amendment is an amendment to this bill, which itself does not affect soil conservation payments and parity payments. His amendment would eliminate the subsidies allowed in this bill, which include

subsidies on cottonseed oil and soybean oil.

Mr. CLARK of Missouri. That is precisely what I am trying to do. I am trying to eliminate the subsidies distinctly authorized in this bill.

Mr. REED. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. REED. I am sure the distinguished Senator from Missouri has not forgotten that old couplet:

'Tis sweet to hear the watchdog's honest bark
Bay deep-mouthed welcome as we draw near home.

Mr. CLARK of Missouri. I will say to the Senator from Kansas that I have always voted against subsidies, whether for Missouri or for any other section of the country.

Mr. REED. I did not mean to infer in any way that the Senator from Missouri had done otherwise, but I should like to ask another question of the Senator from Missouri.

Mr. CLARK of Missouri. Let me say to the Senator from Kansas that the remark of my father during his lifetime which made me feel prouder of him than anything he ever said was on the subject of a tariff on zinc. He said that he would never knowingly help by means of a tariff rate any living human being merely because he happened to live in Missouri.

Mr. REED. The Senator has referred to the old school of genuine democracy, so well exemplified by his distinguished father. Does the Senator from Missouri have any belief, in the faintest degree, that that old kind of democracy is the democracy of the Democratic Party of today?

Mr. CLARK of Missouri. As opposed to a man like Wendell Willkie, I certainly think it is.

Mr. REED. Why evade the question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK].

Mr. CLARK of Idaho. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The CHIEF CLERK. On page 9, line 18, after the word "payment", it is proposed to insert "for any purpose whatever"; and on page 10, line 6, after the figures "1944", it is proposed to strike out the proviso, down to and including the words "by existing law" in line 23.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REYNOLDS (when his name was called). I have a general pair with the Senator from Nevada [Mr. McCARRAN]. I do not know how he would vote if he were present. If I were at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Washington [Mr. BONE] and the Senator from Indiana [Mr. JACKSON] are detained on public business.

The Senator from Maryland [Mr. RADOLIFFE] is necessarily absent.

The Senator from Wyoming [Mr. O'MAHONEY] and the Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Kentucky [Mr. CHANDLER], who is detained on public business, has a general pair with the Senator from Pennsylvania [Mr. DAVIS].

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from Pennsylvania [Mr. DAVIS], the Senator from California [Mr. JOHNSON], the Senator from Colorado [Mr. MILLIKIN], the Senator from Ohio [Mr. TAFT], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from Indiana [Mr. WILLIS] has a general pair with the Senator from Indiana [Mr. JACKSON].

The Senator from Wyoming [Mr. ROBERTSON] has a general pair with the Senator from Wyoming [Mr. O'MAHONEY].

The result was announced—yeas 17, nays 53, as follows:

YEAS—17

Bushfield	Gurney	Truman
Byrd	Kilgore	Tydings
Capper	McKellar	Wallgren
Clark, Mo.	Moore	Wherry
Ferguson	Pepper	Wilson
Guffey	Smith	

NAYS—53

Aiken	Gerry	O'Daniel
Andrews	Gillette	Overton
Austin	Green	Reed
Bailey	Hatch	Russell
Bankhead	Hayden	Shipstead
Barkley	Hill	Stewart
Bilbo	Holman	Thomas, Idaho
Burton	Johnson, Colo.	Thomas, Okla.
Butler	La Follette	Thomas, Utah
Caraway	Lucas	Tunneil
Chavez	McClellan	Vandenberg
Clark, Idaho	McFarland	Wagner
Connally	Maloney	Walsh, Mass.
Danaher	Maybank	Walsh, N. J.
Downey	Mead	Wheeler
Eastland	Murdock	White
Ellender	Murray	White
George	Nye	

NOT VOTING—25

Ball	Hawkes	Revercomb
Bone	Jackson	Reynolds
Brewster	Johnson, Calif.	Robertson
Bridges	Langer	Scrugham
Brooks	McCarran	Taft
Buck	McNary	Tobey
Chandler	Millikin	Willis
Davis	O'Mahoney	
Glass	Radcliffe	

So the amendment of Mr. CLARK of Missouri was rejected.

Mr. VANDENBERG. Mr. President, in order to conserve the time of the Senate, but also in order to present my own position on this bill, I ask unanimous consent to have printed in the RECORD at this point a brief memorandum.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

I wish briefly to state my position on this highly controversial issue of consumer subsidies. In no other way can I answer 50,000 Michigan letters and petitions that have come to me upon this subject—half of them violently opposing all consumer subsidies down to the last nickel, the other half violently demanding total consumer subsidies on the apparent theory that nothing else stands between our people and their inflationary doom.

In my considered view, the correct answer at the moment to this problem necessarily lies somewhere between these extreme views.

If I could deal with "consumer subsidies" by themselves, unrelated to any other inflationary factors, I should be completely opposed to them. I believe they are themselves potentially inflationary if not held in strictest control. I believe they have been historically dangerous to democratic institutions ever since the Gracchi days in ancient Rome.

But, in the present instance, I cannot deal with "consumer subsidies" by themselves because this administration has almost inextricably interwoven them into its anti-inflationary strategy. Whether I like it or not—and I do not—I cannot run away from this reality so far as the immediate situation is concerned.

If I could deal with farm prices by themselves, unrelated to any other inflationary factors, I should say emphatically that American agriculture is always entitled to its fair price, its cost of production, and its fair profit, in the market place and not at the back door of the Treasury. I believe this must be basic in our stabilized economy. This truth has been too long overlooked. But I cannot, at the moment, deal with farm prices by themselves because this administration has created a situation in which it uses the farm-price argument as the basis for what it does in respect to wage control. Wages are just as important an inflationary factor as are prices—often more so. Unfortunately the administration has not put wages and prices in gear and kept them in gear—as must be done, before it is too late, if we are to permanently hold the anti-inflation line. But so long as the President and his administrators pretend to relate their wage decisions to our price decisions, although too often they fail to do so, I cannot ignore this reality, whether I like it or not, and I cannot run away from this cold, hard fact in our current economy. The President and his administrators are an unescapable part of our governmental machinery.

Transcending every other consideration in this matter is the necessity to do everything within our power to hold the line against inflation and to use every available weapon against inflation—particularly in behalf of our white-collar workers, our citizens on fixed income, and the millions of our people who have had no increased income whatever from the war effort. They are the ones upon whom inflation bears down with heaviest and cruelest force. In a broader sense, of course, uncontrolled inflation can ruin all of us—farmers and wage earners included. Any temporary gain by any special group, at the expense of ultimate inflation, is a purely transient and utterly costly advantage. My first consultation, in a situation such as now confronts the Senate, must be the total overall battle against inflation for the sake of the total welfare of our whole people.

The President and his administrators virtually tell us that they cannot and will not hold the wage line if they are prohibited the use of any consumer subsidies whatever. Whether we like it or not, it seems to me that this puts us on notice that the total prohibition of consumer subsidies will result in inevitable inflation on the wage front. I refuse to take any part of the responsibility

for any such calamity or to be any part of such an alibi. I shall vote against the proposed general ban on all consumer subsidies. There are occasions when they legitimately may be the best available temporary expedient.

On the other hand, my fear of the hazard in uncontrolled consumer subsidies is such that I must also vote for adequate limitations and legitimate controls over the use of these subsidies. The idea that subsidies are a total answer to inflation is simply fantastic. Therefore I have voted for the so-called Taft amendment which would clothe these subsidies with appropriate standards and effective limitations for the emergency period that lies ahead.

Here is another consideration. I am eager to continue to join in fighting present maladministration in many directions. But for the sake of the American people, we cannot afford a complete deadlock between the executive and the legislative branches of the government upon this inflation proposition. Our system of government can be reduced to almost complete futility in this regard when the President and Congress are at odds. Under such circumstances, it does not function; it just bogs down; and, as the New York Times recently said, "it is not surprising that thoughtful men are disturbed over the prospect." I believe that inflation is inevitable if the President and Congress entrench upon this issue at opposite ends of Pennsylvania Avenue. So long as we have this administration, and so long as it fails to develop an appropriate coordination in dealing with all inflationary factors, we are left with no alternative except to seek a composition of our difficulties until 1945 in a matter like the one now pending. I must vote for that viewpoint. I commend a similar consideration of the realities on the part of the President and his administrators.

I repeat that none of these inflationary factors can be safely settled by themselves. What we do in respect to subsidies will be followed by what O. P. A. does in respect to ceilings and particularly what the President and the War Labor Board and Mr. Justice Byrnes and Judge Vinson do in respect to wages. Again we are at the mercy of lack of unified attack upon inflation. If the agricultural producer gets no subsidies (and too often they do not reach him anyway), as the result of the passage of this bill, and then subsequently gets no higher price ceilings, as the result of continued O. P. A. and W. F. A. opposition, agriculture will simply continue to lack adequate compensation for its production costs and production may dry up. On the other hand, if there are no subsidies whatever, as the result of the passage of this bill, and O. P. A. thereupon tilts the food ceilings, and then the President and his administrators further take the lid off wages—as they have plainly prophesied—we are off in the mad dance of inflationary death. Meanwhile, if agriculture gets unrestricted subsidies, as a result of the defeat of this pending prohibition, and every subsequent wage demand from labor—of which the air is full today—is met by more subsidies pursuant to this formula and precedent, we shall get run-away inflation from this pyramiding process and from the resultant run-away public debt. If consumer subsidies are stabilized as our first line of defense against inflation, the ultimate demands for the use of this easy equalizer will come from agriculture, industry, and labor in such an irresistible flood-tide that we shall face a veritable surf of inflation. Subsidies can never be our chief reliance against inflation in fact. But we cannot wholly escape the authority of those who erroneously think so.

Under all these circumstances, I cannot answer the pending question with a simple "yes" or "no." Either such answer, in my view, is fraught with inflationary danger. I must face what I believe to be the practical

realities. Basically, I shall continue to strive for a new rule of action which gears prices and wages together and then undertakes to keep them in automatic gear. That would require no subsidies at all. Basically, I shall never consciously cast an inflationary vote. Meanwhile, I shall reluctantly vote for limited and controlled subsidies for the reasons I have indicated, with all emphasis upon the limitations and controls, and I am forced to vote against a total prohibition of all subsidies.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. GUFFEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WHITE (when Mr. BALL's name was called). I renew my announcement with regard to the unavoidable absence of the Senator from Minnesota [Mr. BALL]. He has authorized me to say that if present and voting he would vote "Yea."

Mr. REYNOLDS (when his name was called). I have a general pair with the Senator from Nevada [Mr. McCARRAN]. If he were present he would vote "nay." If I were at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. TYDINGS. Mr. President, I understand that on this question my colleague, the junior Senator from Maryland [Mr. RADCLIFFE], has a pair with the Senator from New Jersey [Mr. HAWKES]. If the Senator from New Jersey were present and at liberty to vote I am advised that he would vote "yea." If the Senator from Maryland were present and at liberty to vote, I understand that he would vote "nay."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Nevada [Mr. SCRUGHAM], who is absent on official business, and vote. I vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Indiana [Mr. JACKSON] is detained on public business. I am advised that if present and voting he would vote "nay."

The Senator from Nevada [Mr. McCARRAN] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business. I am advised that if present and voting the Senator from Nevada [Mr. McCARRAN] and the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

The Senator from Kentucky [Mr. CHANDLER], who is detained on public business, has a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I am advised that if present and voting the Senator from Kentucky would vote "nay."

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from Pennsylvania [Mr. DAVIS], who would vote "nay," has a general pair with the Senator from Kentucky [Mr. CHANDLER].

The Senator from Indiana [Mr. WILLIS] is paired with the Senator from Indiana [Mr. JACKSON]. Mr. WILLIS would vote "yea," and I am advised that Mr. JACKSON would vote "nay."

The Senator from Ohio [Mr. TAFT] is paired on this question with the Senator from North Dakota [Mr. LANGER]. Mr. TAFT would vote "yea," and Mr. LANGER would vote "nay."

The Senator from Wyoming [Mr. ROBERTSON] has a pair with the Senator from Wyoming [Mr. O'MAHONEY]. Mr. ROBERTSON would vote "yea," and Mr. O'MAHONEY would vote "nay."

The Senator from New Jersey [Mr. HAWKES] has a pair on this question with the Senator from Maryland [Mr. RADCLIFFE]. Mr. HAWKES would vote "yea," and Mr. RADCLIFFE would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Delaware [Mr. BUCK], the Senator from California [Mr. JOHNSON], and the Senator from New Hampshire [Mr. TOBEY] would vote "yea" if present.

The Senator from Maine [Mr. BREWSTER], the Senator from Illinois [Mr. BROOKS], the Senator from Colorado [Mr. MILLIKIN], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The result was announced—yeas 43, nays 28, as follows:

YEAS—43

Aiken	Eastland	Reed
Andrews	George	Russell
Austin	Gerry	Shipstead
Bailey	Gillette	Smith
Bankhead	Gurney	Stewart
Bilbo	Hill	Thomas, Idaho
Burton	Holman	Thomas, Okla.
Bushfield	La Follette	Tydings
Butler	McClellan	Wheeler
Byrd	McKellar	Wherry
Capper	Maybank	White
Caraway	Moore	Wiley
Chavez	Nye	Wilson
Clark, Idaho	O'Daniel	
Connally	Overton	

NAYS—28

Barkley	Hayden	Thomas, Utah
Bone	Johnson, Colo.	Truman
Clark, Mo.	Kilgore	Tunnell
Danaher	Lucas	Vandenberg
Downey	McFarland	Wagner
Ellender	Maloney	Wallgren
Ferguson	Mead	Walsh, Mass.
Green	Murdock	Walsh, N. J.
Guffey	Murray	
Hatch	Pepper	

NOT VOTING—24

Bail	Hawkes	Radcliffe
Brewster	Jackson	Revercomb
Bridges	Johnson, Calif.	Reynolds
Brooks	Langer	Robertson
Buck	McCarran	Scrugham
Chandler	McNary	Taft
Davis	Millikin	Tobey
Glass	O'Mahoney	Willis

So the bill, H. R. 3477, was passed, as follows:

Resolved, That the bill from the House of Representatives (H. R. 3477) entitled "An act to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes," do pass with the following amendment: Strike out all after the enacting clause and insert:

"That section 1 of the act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term '31st of March' where that term first appears therein and substituting in lieu thereof the term '30th of June,' and by deleting from the second sentence thereof 'on the basis of the cost, including not more than 1 year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of 12 months ending with March 31 of each year, whichever is less' and inserting in lieu thereof 'on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower.' The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

"SEC. 2. Section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended by changing the designation thereof to section 7 (a); by striking out in the first sentence of such section 'February 17, 1944' and inserting in lieu thereof 'June 30, 1945'; and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: 'Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided*, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers; *Provided further*, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of 1 fiscal year: *Provided further*, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however*, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided*, That any such advances of reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit

the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

"SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce or in lieu of increasing, maximum prices established on such commodities, except as provided in section 4 hereof: *Provided*, That with respect to any such commodities for which programs involving such payments or losses have been announced on or before January 14, 1944, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but such programs shall be completed not later than June 30, 1944: *Provided further*, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to domestic wool, sugar beets, and sugarcane, and competitive domestic vegetable oils and fats and oil seed and oil seed meals and wheat flour for export: *And provided further*, That nothing herein shall be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

"SEC. 4. (a) Within a period of 120 days from the effective date of this act, and within each 6-month period thereafter, maximum prices heretofore or hereafter established on milk and the products thereof (pursuant to the Emergency Price Control Act of 1942, as amended by Public Law 729, approved October 2, 1942), shall be adjusted on a regional or market basis as the case may require to the extent necessary to (1) reflect changes in farm-labor costs (including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm computed for all such labor on the

basis of wage rates for hired farm labor), feed prices (including all feed fed whether purchased or home-grown), and other costs since January 1, 1941; (2) place the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war and civilian purposes: *Provided*, That in determining the extent to which maximum prices shall be adjusted as provided herein, due consideration shall be given to historical and normal differentials customarily applied as between markets and regions: *Provided further*, That in no event shall maximum prices on milk and the products thereof be established below support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That where minimum prices to producers of milk have been regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the War Food Administrator is hereby directed, within the periods prescribed in this section (relating to the adjustment of maximum prices), to adjust such minimum prices to reflect adjustments in maximum prices determined and ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained herein is intended, nor shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended.

"(b) In order to effectuate the purposes of paragraph (a) of this section, the War Food Administrator and the Price Administrator are hereby directed to hold public hearings on a regional or market basis as the case requires. For such purposes there shall be utilized the hearing procedure and the personnel of the Food Distribution Administration of the United States Department of Agriculture established under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and such other personnel of the Department of Agriculture and the Office of Price Administration as may be required. As soon as practicable after the completion of the hearing, but in any event within the periods specified in paragraph (a), the War Food Administrator and the Price Administrator shall make public their joint findings based only on relevant substantial evidence of record at the hearing and the Price Administrator forthwith shall issue an order adjusting such maximum price or prices on the basis of and in conformance with such findings.

"(c) Any person (within the meaning of section 302 (h) of the Emergency Price Control Act of 1942, as amended) who is adversely affected by the order of the Price Administrator may, within 30 days after the action adjusting such maximum price or prices, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the order be enjoined or set aside in whole or in part.

"The War Food Administrator shall be made a party to the proceedings and upon service of the summons and complaint, the Price Administrator shall certify and file in the court the transcript of the proceedings and the record upon which the order adjusting such maximum price or prices was based. The proceedings in such court shall be subject to all applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended; except, that wherever the term 'Administrator' is used therein, it shall, for the purposes hereof, be construed to mean the War Food Administrator and the Price Administrator: *Provided*, That during the pendency of such proceedings the Price Administrator may not modify or rescind his

order adjusting such maximum price or prices except upon the basis of additional joint findings on evidence adduced pursuant to the order of the court. The provisions of this section shall terminate coterminous with the expiration of the Emergency Price Control Act of 1942, as amended.

"SEC. 5. The Commodity Credit Corporation may sell at a loss perishable fruits or vegetables, owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage.

"SEC. 6. The first sentence of section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is hereby amended by striking out '\$3,000,000,000' and inserting in lieu thereof '\$3,250,000,000.'"

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I should like to make a statement to the Senate regarding the prospect of business for next week.

It is my purpose to move that the Senate take a recess until Tuesday next, and on that day to have the calendar called for the consideration of measures to which there is no objection. Outside of that, the only definite legislative business I foresee for next week is the so-called U. N. R. R. A. joint resolution, now pending before the Committee on Foreign Relations, upon which action will be taken in that committee on Monday, I assume, and it is desired to take it up next week and dispose of it in the Senate. Except for those matters, I do not see any immediate legislation in prospect.

I make this statement for the benefit of Senators who will be interested in knowing what is to occur next week, so far as we can now foresee.

EDUCATION AND TRAINING OF MEMBERS OF THE ARMED FORCES

Mr. PEPPER. Mr. President, I ask unanimous consent that I may file during the recess of the Senate, minority views on Senate bill 1509, to provide for the education and training of members of the armed forces and the merchant marine after their discharge or conclusion of service, and for other purposes.

The PRESIDING OFFICER. Is there objection? The chair hears none, and it is so ordered.

LEND-LEASE

Mr. WHEELER. Mr. President, I hold in my hand an article from one of the local papers entitled "Lend-Lease Started War." The article reads as follows:

LEND-LEASE STARTED WAR

NEW YORK, January 31.—The United States entered the war, not at Pearl Harbor but when we participated in the lend-lease operations with Allied Nations, Arthur Hays Sulzberger, president and publisher of the New York Times and member of the central committee, American Red Cross, declared today.

"I happen to be among those who believe that we did not go to war because we were attacked at Pearl Harbor," Sulzberger told a Red Cross meeting. "I hold rather that we were attacked at Pearl Harbor because we had gone to war when we made the lend-lease declaration.

"And we took the fateful step because we knew that all we hold dear in the world was under attack and that we could not let

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Senate

The Senate was not in session today. Its next meeting will be held on Tuesday, February 15, 1944, at 12 o'clock meridian.

House of Representatives

MONDAY, FEBRUARY 14, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. RAMSPECK.

The SPEAKER pro tempore. The Clerk will read the following communication:

The Clerk read as follows:

THE SPEAKER'S ROOMS,
HOUSE OF REPRESENTATIVES,

Washington, D. C., February 14, 1944.

I hereby designate the Honorable ROBERT RAMSPECK to act as Speaker pro tempore today.

SAM RAYBURN.

The SPEAKER pro tempore. The Chaplain will offer prayer.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of the ages, everywhere present to uphold and guide Thy children, through humility, forgiveness, and power, we pray that we may build ourselves into our country, rather than our country into ourselves. Clothe us with more zeal to labor, more courage to be true, more patience to bear and forbear, and greater strength to carry the crosses of life. We praise Thee that amid toil, tears, and death that our Republic still lives in the fiber of our national life and about the firesides of our homes of peace and plenty.

In these days of mass irrationality, grant, dear Lord, that our influence and example may become Nation-wide in vision and in absolute personal integrity; forbid that we should ever prove recreant to the great trust which our fellow countrymen have bestowed upon us. May we turn dismal pictures to the wall and talk not of gloom and despair; infuse our minds with the will of our Lord linked to ailing humanity with the lights of the

ultimate sky above us. Woe to him who has bread in time of famine and allows men to starve; woe to him who has medicine in time of plague and allows men to perish; woe to the country which is guarded and blest with rich abundance, fails to throw the torch and breaks faith with those who die: "Lord God of hosts be with us yet, lest we forget."

We pause in mortal silence as our memory of one strong and true is on the throne of our being. The roll is called and no response is made; he has passed to that home from which no traveler returns, a land of union, undisturbed peace and everlasting joy, all through the merits of an atoning Saviour.

He leads us in no darker room
Than He Himself went through,
And in our path is laid no stone
He would not carry, too.

In His holy name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, February 10, 1944, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 4, 1944:

H. R. 636. An act for the relief of O. J. Toole.

On February 6, 1944:

H. R. 1344. An act for the relief of Paul W. Busbey, Mrs. Paul W. Busbey, Paula Busbey, and Mrs. Louisa Busbey.

On February 7, 1944:

H. R. 1875. An act for the relief of Carl Swanson, Geraldine Cecelia Swanson, a minor, and Almer Swanson.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Shaner, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3477. An act to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

EXTENDING LIFE OF COMMODITY CREDIT CORPORATION

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to provide a basis of annual appraisal of its assets, and for other purposes, with Senate amendments, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. SPENCE, FORD, BROWN of Georgia, PATMAN, WOLCOTT, CRAWFORD, and KEAN.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the conferees may have until 12 o'clock midnight to file their report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MESSAGE FROM THE PRESIDENT—
ANNUAL REPORT OF THE ALIEN
PROPERTY CUSTODIAN (H. DOC. NO. 417)

The SPEAKER laid before the House the following message from the President of the United States which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Alien Property Custodian on proceedings had under the Trading With the Enemy Act, as amended, for the period beginning March 11, 1942 (the date on which the Office of Alien Property Custodian was established), and ending June 30, 1943.

FRANKLIN D. ROOSEVELT.

DISTRICT OF COLUMBIA BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to call District of Columbia bills.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE LATE LEONARD W. SCHUETZ

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it is with profound regret that I announce the sudden and unexpected death of the Honorable LEONARD W. SCHUETZ, of the Seventh Congressional District of Illinois, while sleeping in his apartment in the city of Washington last night.

Mr. SCHUETZ was born in Posen, Poland, of that sturdy Polish stock that has contributed so much to the upbuilding of great America, and has always loyally given so freely to our fervent, patriotic endeavors, and came to Chicago when 1 year old. Mr. SCHUETZ' father died when Mr. SCHUETZ was only 10 years old, and it was necessary that he go to work and at the same time educate himself. By hard and persistently intelligent efforts he became, successfully, a stenographer, an executive, a building contractor, and a very useful Representative in Congress.

Our deceased friend is another contradiction of the allegation that unfavorable circumstances are necessarily a deterrent to elevation to high place in the affection of his friends and in the councils of state.

Mr. SCHUETZ met two severe judgments, namely, he was a successful businessman in a highly competitive field, he met pay rolls, and the verdict of this honorable body on his important work here is transcendentally in his favor.

Entering the House at the beginning of the Seventy-second Congress our friend soon concentrated all his efforts to build a great Navy and Naval Establishment. I shall leave to others, better acquainted with that great work, an

assessment of our deceased colleague's labors in that direction.

The deceased was the ranking majority member of the Committee on Naval Affairs, a member of the Select Committee on Conservation of Wildlife Resources, an assistant majority whip, a member of the Democratic Congressional Committee and ranked high in his own city and here in party councils. He was an extremely modest, self-effacing gentleman, always willing to be last when his talents dictated that he should be among the first.

You know there are various ways in which men rise to power, prominence, and eminence. Some men rise to high positions of leadership from the employment of armies and force; others reach that position because of great wealth; and still others reach the position of leadership because of great and powerful influences; but our departed colleague, whose shocking and untimely death—13 years short of three score and ten—we now mourn, rose to a position of leadership because of the natural qualities he possessed; because of the heart that was his; because of the decency of his manner; because of his sense of understanding and justice.

To me his entire life is a message to the living, a message of being ever ready and willing, and anxious to contribute more to society than one could possibly hope to receive from it; to work conscientiously and industriously and selflessly.

Our colleague, Mr. SCHUETZ, leaves to mourn, with us, his untimely passing a widow and one daughter, both of whom have our deepest compassion in their hour of greatest trial.

I know I voice the sentiment of everybody here when I say that our country has lost a fearless champion of the people, our State has lost a very able Representative, our city has lost one of its most beloved citizens, and we all have lost a friend who achieved real and permanent honors where the standards were high.

Mr. Speaker, at a future date I shall further express my deep appreciation of the worth and work of this eminent friend, legislator, and benefactor.

Mr. Speaker, I now yield to the chairman of the committee on which Mr. SCHUETZ was ranking member, namely, the great Committee on Naval Affairs. I yield to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Speaker, for the second time within a few short weeks the Naval Affairs Committee has lost another member, the Honorable LEONARD W. SCHUETZ, of Illinois. Once again the State of Illinois has lost one of her distinguished sons.

Mr. SCHUETZ has served in the House for the past 13 years. He was elected in 1930 to the Seventy-second Congress and has served continuously ever since. He was immediately appointed to a place on the Naval Affairs Committee, and throughout the important years which followed he has served on that committee conscientiously and well. Mr. SCHUETZ was quiet and unassuming in his

manner. He was devoted to the work of the committee; was constant in his attendance; and rendered his country loyal and outstanding service. He had an appreciation and understanding of the many important matters which came before the committee, and a capacity to absorb facts and acquaint himself with the most intricate problems.

We shall miss his friendly counsel and genial manner. Our sympathy goes out to his bereaved wife and daughter.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Speaker, I was greatly shocked and deeply grieved to learn of the sudden death of our colleague and my personal friend, the Honorable LEONARD W. SCHUETZ, of Chicago. For many years he has rendered distinguished service to the district he had the honor to represent and to the Nation. In his passing his district and the country has lost one of their finest citizens.

Before entering Congress he was one of Chicago's outstanding contractors and to his memory there now stands many churches, schools, and other edifices, which pay a silent tribute to his many accomplishments.

He has served in this House continuously from the Seventy-second Congress and attained an enviable position on our Naval Affairs Committee. He was also a member of the Select Committee on the Conservation and Wildlife Resources.

He was a kindly gentleman, a devoted husband, and father.

May the Lord deal with him as one who has gained the palm, and may his place in the world beyond the grave be ever higher and more glorious than which he won for himself among men.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Speaker, I was utterly shocked as I came to the Capitol this morning to learn that the flag was flying over the House of Representatives at half staff, again, today, because of the death of my long-time friend, LEONARD SCHUETZ, the distinguished gentleman from the State of Illinois, who represented one of the largest districts in the United States for seven consecutive terms. That is the measure of the man.

He was my friend of long standing. To paraphrase William Cullen Bryant I know that "Sustained and soothed by an unfaltering trust," he approached his grave "Like one that wraps the drapery of his couch about him and lies down to pleasant dreams." His reward is found in the satisfaction he found in duty well done.

His district which I know so well, one of the most cosmopolitan districts in a great metropolis has a very large population of 100-percent Americans of Polish descent, than whom there are, nor can be, any more enthusiastic lovers of liberty, or better judges of men than they. They sent LEONARD SCHUETZ to represent them in the Congress of the United States, and he served them faithfully and well: more

15.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 16, 1944, for actions of Tuesday, February 15, 1944)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT; SUBSIDIES. Reps. Spence, Ford, Brown of Ga., Patman, Wolcott, Crawford, and Kean (Feb. 14) (p. 1633) and Sens. Bankhead, Clark of Idaho, McClellan, Taft, and Thomas of Idaho (Feb. 15) were appointed conferees on H.R. 3477 (p. 1649).
2. RUBBER. Agreed, without amendment, to H. Res. 346, to authorize the Agriculture Committee to investigate the guayule-rubber program "with a view of determining whether such a program is being carried forward in a manner calculated to achieve such a domestic source in the shortest possible time." Rep. Anderson, Calif., inserted a letter from the Calif. Guayule Committee to Governor Warren commending this program. (p. 1683-84.)
3. WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL. Appropriations Committee reported this bill, H.R. 4183 (H.Rept. 1118) (pp. 1682, 1727).
4. POST-WAR PLANNING. Agreed, without amendment, to H. Res. 439, providing \$100,000 for the Special House Committee on Post-War Economic Policy and Planning (p.1684)
5. ASSISTANT SECRETARY OF THE INTERIOR. Passed, 187-158, as reported H.R. 2801, to provide for an additional Assistant Secretary of the Interior (pp. 1702-09). Rep. Crawford, Mich., criticized the proposed salary increase provided in this bill and the "wasted time, wasted manpower, and wasted womanpower" in the executive departments and asked, "Why...raise salaries and then...give them a subsid

to pay their grocery bills, as has been advocated by Judge Vinson and some of the others?" (p. 1705). Rep. Mahon, Tex., spoke favoring "reductions wherever possible" in the number of Federal employees (p. 1706).

6. CONGRESSIONAL RELATIONSHIPS. Reps. Rees, Kans., and Bushby, Ill., criticized recent GAO order "which forbids all employees of that agency...from making any independent contacts with" Congress "without...permission," and Rep. Rees asked "Why...should a Government employee not have the right to discuss matters affecting his employment and his Government with committees or Members of Congress?" (pp. 1687, 1705).
7. HOUSING. Received (Feb. 9) from the President a supplemental appropriation estimate of \$150,000,000 to FWA for public works and services in communities experiencing an abnormal growth of population because of war-connected activities (H.Doc. 413). To Appropriations Committee.
8. MANPOWER MOBILIZATION. Rep. Woodruff, Mich., criticized the manpower mobilization proposal, stating, "The American people have been familiarizing themselves with the chains of bondage in the form of bureaucratic regulations; rationing of foods; point stamps; literally a new system of currency; repeated trips to ration boards, and generally onerous regulations" (pp. 1725-27).
9. SYNTHETIC FUELS; PETROLEUM. Began debate on H.R. 3209, to authorize the construction of demonstration plants to produce synthetic fuels in order to conserve oil resources of the Nation (pp. 1710-25).
10. BANKING AND CURRENCY Committee reported without amendment H.R. 3956, to provide that the absorption of exchange and collection charges shall not be deemed the payment of interest on deposits (H.Rept. 1126) (p. 1727).
11. FARM BANKRUPTCY. Judiciary Committee reported without amendment H.R. 4166, to amend the Farm Bankruptcy Act so as to reapportion the number of conciliation commissioners, increase the bankruptcy-petition fee from \$10 to \$25, extend until Mar. 4, 1948, the provisions of the Bankruptcy Act, and to increase from \$5 to \$10 the per diem allowance for conciliation commissioners (H.Rept. 1127) (p. 1727).
12. APPROPRIATIONS. Received (Feb. 9) from the President supplemental appropriation estimates as follows: \$39,436,884.93 for restoration of capital impairment, Commodity Credit Corporation; \$3,000,000 for the general supply fund, Procurement Division, for the purchase of materials, supplies, and equipment for replenishment of warehouse stocks or direct sale to Government agencies; and \$749,000 for the Bureau of Accounts, Treasury Department (H.Doc. 410). To Appropriations Committee.

SENATE

13. RESTAURANT GRADING. Passed as reported S. 1340, to provide for the grading of restaurants in D.C. (pp. 1653-54).
14. FORESTRY. Passed as reported H.R. 2687, to authorize Interior to dispose of timber and other products on its lands (pp. 1654-55).
15. A.A.A. GRANTS-IN-AID. Passed as reported S. 1421, to provide for State inspection of AAA grant-in-aid materials, nursery stock, etc. (p. 1656).

petual call for right and for justice and decency.

We fight for that decency today—free men and free women everywhere.

In this war, as in the wars of our pioneer days, women are giving not merely of their moral courage and their spiritual strength, but also of their time and of the products of their hands and their minds.

Today women are in every phase of our war work, and each branch of our armed services has its component women's group.

Women work side by side with men in almost every great war industry in America. I say without hesitation that this war could not be won if it were not for the support of women in the United States and women elsewhere in the United Nations.

In my own State of Wisconsin, which has pioneered in legislation to safeguard the rights of women, women today are working in the fields so that there may be food, and women are working in the factories so that there may be weapons for our boys overseas.

It is unnecessary for me to say that the wealth of a nation and the strength of a nation lie not merely in its buildings or its ships or its guns, but that the last bulwark of our strength must be the strength of a united people—of men and women working together for a great cause.

Today we honor the memory of a great woman. We honor her memory not merely because she was a great woman in herself, but because of the principles of women's rights for which she stood.

Susan Anthony came from a distinguished pioneer family. Her two brothers, George T. Anthony and Col. Daniel R. Anthony, participated in the struggle which made Kansas a free State. George T. Anthony became Governor of the State, and Col. D. R. Anthony, through his newspaper, became a powerful civic force.

Susan Anthony was born on a farm near Adams, Mass., on February 15, 1820. She was of Quaker parentage and early in life was inculcated with the sound doctrines of right thinking, right living, diligence, thrift, and industry—all doctrines which I fervently hope will be reinstated in our national consciousness during this period of crisis.

Susan Anthony's father operated a mill at Battenville, N. Y., where he hoped to set up a model industrial community with good wages, good working conditions, good schools, and good employer-employee relationships.

This was undoubtedly a factor in Susan Anthony's later concern with securing the best possible working conditions for men and women.

After her school education, she became a teacher and determined to give her life to championing the cause of women's rights. For the remainder of her life until her death at the age of 87, she worked unremittingly and unsparingly for women's rights. Despite persecution, she pioneered for a half century for the emancipation of women. She

crusaded for suffrage and, as everyone knows, her beliefs were written into the law of the land some half century later. She was more than a pioneer for the suffrage movement, however, because she fought for justice for both men and women and for all races.

She possessed an incredible courage and a rare determination. She persisted in her battle even when the fight seemed to be lost. She made an indelible mark on the history of our Nation and our people. She dedicated her life to service and she succeeded in shifting the thought of an entire Nation. She altered the fabric of our entire civilization. She played a heroic role in improving the status of women, politically, economically, and socially.

She did not begin the struggle for woman's equality, nor did she end it, but she lent it the vigor and fire of a great personality.

Mr. President, if we in this land have great fighting forces today, it is because we have great homes—great mothers, great wives, and great sweethearts behind the men of those forces.

Out of the homes of this land has emerged the sturdy character of the people of our land. Out of these homes have emerged the freedoms for which we fight today. Out of these homes have emerged the rights and freedoms for which women have fought.

In paying tribute to Susan B. Anthony we pay tribute to all womankind.

In these troubled days we can recall Susan B. Anthony's words: "Principle, not policy; justice, not favor." They might well be a yardstick which we could apply in writing the peace which must follow this war.

Nothing which we can say here today would ennoble or enrich the heritage which this woman has left to America and to the world. What does ennoble and enrich that heritage, however, is the fact that today free men and free women everywhere are fighting to safeguard all freedoms and all rights—and certainly to enshrine the freedoms and the rights which women have won.

EXTENSION OF COMMODITY CREDIT CORPORATION

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BANKHEAD. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. BANKHEAD, Mr. CLARK of Idaho, Mr. McCLELLAN, Mr. TAFT, and Mr. THOMAS of Idaho conferees on the part of the Senate.

THE CALENDAR

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to consider measures on the calendar to which there is no objection, beginning with the first bill on the calendar, Calendar No. 12.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will proceed to call the measures on the calendar.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 40) to provide that the term of the Governor of Puerto Rico shall expire upon the enactment of this act and at the end of each 2-year period thereafter, was announced as first in order.

Mr. BARKLEY. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 403) for the relief of certain claimants who suffered losses and sustained damages as a result of the campaign carried out by the Federal Government for the eradication of the Mediterranean fruitfly in the State of Florida, was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 675) to amend the Selective Training and Service Act of 1940, as amended, so as to extend the benefits of the Employees' Compensation Act, to conscientious objectors, was announced as next in order.

Mr. BARKLEY. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 19) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes," was announced as next in order.

Mr. DANAHER. Let the joint resolution go over.

The ACTING PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 168) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, was announced as next in order.

Mr. DANAHER. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 409) authorizing the Arapahoe and Cheyenne Indians or any band thereof to submit their claims against the United States to the Court of Claims, and for other purposes, was announced as next in order.

Mr. DANAHER. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 670) conferring jurisdiction upon the Court of Claims to hear and

determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States was announced as next in order.

Mr. DANAHER. Let the bill go over. The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 445) authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States was announced as next in order.

Mr. DANAHER. Let the bill go over. The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 23) authorizing the Western Bands of the Shoshone Nation of Indians to sue in the Court of Claims was announced as next in order.

Mr. DANAHER. Let the bill go over. The ACTING PRESIDENT pro tempore. The bill will be passed over.

CLAIMS FOR DAMAGES RESULTING FROM IMPROVEMENT OF INTRACOASTAL WATERWAY

The bill (H. R. 205) conferring jurisdiction upon the District Court of the United States for the Southern District of Florida to hear, determine, and render judgment upon the claims of all persons who have claims for damages or losses allegedly resulting from the construction, further development, and improvement of the Intracoastal Waterway, Miami to Jacksonville, Fla., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

PREPARATION OF HIGH-SCHOOL STUDENTS FOR WARTIME SERVICE—BILL PASSED OVER

The bill (S. 875) to provide for the preparation of high-school students for wartime service was announced as next in order.

Mr. TAFT. Let the bill go over.

Mr. HAYDEN. Mr. President, will the Senator defer for a moment his request that the bill be passed over?

Mr. TAFT. Yes.

Mr. HAYDEN. The bill was reported to the Senate last May, and has been passed over since that time, on the assumption that the States would perform the services for which Federal appropriations would be authorized under the bill.

In the meantime the situation has grown very much more aggravated. The bill would appropriate some money from the Federal Treasury to enable public schools to prepare high-school students for military service. In the United States there are approximately 1,300,000 young men between the ages of 16 and 17 years who are certain to get into this war before we finish fighting with Japan. The bill would provide for the appropriation of funds in order to make them better soldiers, and to qualify them physically and mentally by giving them physical training and teaching them aerobics, mathematics, and science.

The proposed legislation is necessary. I could continue with a recital of representations made by educational institutions throughout the entire United States about the importance of the proposed program.

I suggest to Senators that conditions have changed in the past 9 months. Why not pass this bill and send it to the House of Representatives, where there is a perfectly good Committee on Education to hold hearings on it? The facts can be developed there. I am sure it will be shown that there is greater need for the bill today than there was at the time when it was reported to the Senate.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. TAFT. Mr. President, the bill proposes that the Federal Government appropriate approximately \$8,500,000 a year in order to provide the States with a number of additional school officials for the State boards of education. That is the principal purpose of the bill. It provides for—

a State plan * * * for in-service training of high-school teachers to meet war needs in mathematics, science, preflight aeronautics, and physical fitness through intensive short-term institutes—

And so forth. Of course, practically every State has a normal school where teachers can learn all that if they desire to do so.

The bill also provides for a State director of a High School Victory Corps, to be paid for by the Federal Government; a supervisor of physical fitness, to be paid for by the Federal Government; a supervisor of aeronautics, mathematics, physics, and chemistry, to be paid for by the Federal Government; a supervisor of occupational information and war-service counseling; clerical and stenographic services for and necessary expenses for travel of such personnel.

The bill also provides for the payment of not to exceed \$1.25 for physical examinations, which, of course, in most States, as in Ohio, are already made at the expense of the States.

This bill has been pending since May of last year. So far as I can see, the war has gone very well. We have got along so far without the bill. If conditions have changed since last May, when the bill was reported by the Committee on Education and Labor, it seems to me that the bill ought to go back to the Committee on Education and Labor for determination as to what the changed conditions are. I do not see any reason for our passing the bill and sending it to the House to let the House determine the conditions. I therefore object to the present consideration of the bill.

The ACTING PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

BILLS AND JOINT RESOLUTIONS PASSED OVER

The joint resolution (S. J. Res. 26) authorizing the President to proclaim the Sunday before Memorial Day as a day for memorial services for deceased firemen, was announced as next in order.

Mr. BARKLEY. Mr. President, I should like to have an explanation of the joint resolution. In the absence of the author of the joint resolution, I ask that it go over.

The ACTING PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 249) providing for taxation by the States and their political subdivisions of certain real property acquired for military purposes was announced as next in order.

Mr. BARKLEY. Let the bill go over. The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1106) to prohibit the allowance of credit in computation of lump-sum payments to Air Corps Reserve officers was announced as next in order.

Mr. BARKLEY. Let the bill go over. The ACTING PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 25) proposing an amendment to the Constitution of the United States granting equal rights to men and women was announced as next in order.

Mr. BARKLEY. Let the joint resolution go over.

The ACTING PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 1120) to amend an act entitled "An act to provide for the posthumous appointment to commissioned or noncommissioned grade of certain enlisted men and the posthumous promotion of certain commissioned officers and enlisted men," approved July 28, 1942, was announced as next in order.

Mr. BARKLEY. Let the bill go over. The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1088) to amend the Agricultural Act of 1938, as amended with respect to the sale of cotton held by or on behalf of the United States was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (H. J. Res. 108) commemorating May 15, 1943, as the anniversary of the inauguration of air-mail service, was announced as next in order.

Mr. DANAHER. Let the joint resolution go over.

The ACTING PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 1046) to repeal section 2 of the act entitled "An act for the preservation of American antiquities," approved June 8, 1906, was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 683) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States engaged in and about the construction of the Panama Canal was announced as next in order.

Mr. GILLETTE. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1257) authorizing wartime construction and operation and maintenance of reclamation projects was announced as next in order.

Mr. BARKLEY. I ask that the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 17, 1944, for actions of Wednesday, February 16, 1944)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT; SUBSIDIES. Both Houses received the conference report on H. R. 3477, to continue CCC as a U. S. agency and restrict subsidies (pp. 1772-74, 1763-64). The Senate agreed to the report (p. 1764). The substitute bill presented by the conferees does not contain the Senate provision for a \$250,000,000 increase in CCC's borrowing power; retains the Senate provision for adjustment of maximum milk prices, omitting the language which specified what was to be included in farm labor costs and making other clarifying changes; retains the safeguard of AAA payments, etc., with a clarifying change; eliminates the Senate provision permitting subsidies relating to wheat and wool; retains the Senate authorization for temporary continuation of subsidy programs announced on or before Jan. 14, 1944; and provides that the extension of the life of CCC as a U. S. agency shall take effect Feb. 17, even if the bill should be enacted after that date.
2. WAR DEPARTMENT CIVIL APPROPRIATION BILL; FLOOD CONTROL. Passed without amendment this bill, H. R. 4183, which appropriates no additional funds for flood control by this Department, prohibits the Department from using its examination and survey funds except in accordance with priorities approved by the Secretaries of War and Agriculture, and repeals the \$4,000,000 appropriation "Flood control, general" (pp. 1782-88).
3. STATE, JUSTICE, COMMERCE APPROPRIATION BILL. The Appropriations Committee reported this bill, H. R. 4204 (H. Rept. 1149). The bill includes appropriations for such organizations as the International Council of Scientific Unions, Inter-American Coffee Board, Inter-American Statistical Institute, and Pan American Union; cooperation with Latin America, \$3,450,000 (\$4,500,000 for current year), which is available for transfer from the State Department to other Government agencies and which may be used partly for agricultural experiment stations, etc.; antitrust-laws enforcement; Lands Division, Justice; RFC; Census Bureau; Bureau of Standards, providing for cooperation with other Federal agencies, and Weather Bureau.

Excerpts from committee report on this bill:

Functions of a budget office. "It would appear to the committee on the basis of the justifications and other information presented that more effective budgetary and financial controls should be developed in the departments coming within the scope of this bill. Budgetary and financial divisions should be strengthened and staffed with adequate specialist personnel intelligently to pass upon the requirements of the various bureaus and divisions before the estimates are presented either to the Bureau of the Budget or to the Congress. The central budget organization of each of these departments should be vested with sufficient authority to pass upon, reduce or increase the estimates presented to it by the bureaus and divisions coming within the framework of the respective departments."

Foreign work. "The committee is in full accord with the Department of State in its stated objective that this Nation should not have a disseminated Foreign Service under the guidance of a number of Federal agencies...however, it must be remembered that this country, upon the cessation of hostilities, will no doubt become the center of world political and economic activity, and...perhaps most of the agencies of the Government will have some interest in areas beyond the continental limits of the United States. It is not believed that the Department should have in mind the assuming, during the post-war era, of all the detailed functions of these agencies in the foreign field, but that it should have the approval of programs and the coordination of programs as between the Department of State and other agencies and as between the agencies themselves before such programs are embarked upon."

Latin America. "\$3,450,000 is approved for...cooperation with the American republics..., a decrease of \$1,050,000 under both the Budget estimates and the amount available for this purpose for the current fiscal year...although this is a long-term program...many of the operations which are being performed...have directly aided the conduct of the war. In this latter connection, the committee might cite the work of the Department of Agriculture engaged in the development of complementary agricultural products, including rubber production, for which activity an estimate of approximately \$800,000 was submitted."

Lands Division. "Through this activity of clearing title and effecting payment for the land, this Division has saved the Government many millions of dollars representing the difference between owners' evaluations and the amounts of the final awards."

4. FOOD ADMINISTRATION. Received a Calif. Legislature resolution urging legislation "to end the general uncertainty under which producers of agricultural commodities are now laboring" (p. 1804).
5. PAYMENTS IN LIEU OF TAXES. Received a Calif. Legislature resolution favoring legislation to permit the State and local taxation of U.S. property (p. 1804).
6. APPROPRIATIONS; RECLAMATION. Received (Feb. 14) from the President a supplemental appropriation estimate of \$250,000 for the Bureau of Reclamation for the Colorado River front work and levee system, to increase food production (H.Doc. 419). To Appropriations Committee.
7. SYNTHETIC FUELS; PETROLEUM. Passed, 140-El3, with amendments, H.R. 3209, authorizing building of experimental plants for producing synthetic fuels from coal and other substances (pp. 1776-82).
Agreed to Rep. Johnson's (Ill.) amendment to authorize the building of one or more demonstration plants to produce liquid fuel from agricultural and forestry products (pp. 1777, 1778).
After passing this bill, the House vacated that action and passed S. 1243 with an amendment to insert the language of H.R. 3209 (pp. 1781-82).

CONTINUING COMMODITY CREDIT CORPORATION

FEBRUARY 16, 1944.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 3477]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That section 1 of the Act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term "31st of March" where that term first appears therein and substituting in lieu thereof the term "30th of June", and by deleting from the second sentence thereof "on the basis of the cost, including not more than one year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of twelve months ending with March 31 of each year, whichever is less" and inserting in lieu thereof "on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower". The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

SEC. 2. *Section 7 of the Act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended by changing the designation thereof to section 7 (a); by striking out in the first sentence of such section "February 17, 1944" and inserting in lieu thereof "June 30, 1945" (this amendment to be effective as of February 17, 1944); and by striking out*

(b) In order to effectuate the purposes of paragraph (a) of this section, the War Food Administrator and the Price Administrator are hereby directed to hold public hearings on a regional or market basis as the case requires. For such purposes there shall be utilized the hearing procedure and the personnel of the Food Distribution Administration of the United States Department of Agriculture established under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and such other personnel of the Department of Agriculture and the Office of Price Administration as may be required. As soon as practicable after the completion of the hearing, but in any event within the periods specified in paragraph (a), the War Food Administrator and the Price Administrator shall make public their joint findings based only on relevant substantial evidence of record at the hearing and the Price Administrator forthwith shall issue an order adjusting such maximum price or prices on the basis of and in conformance with such findings.

(c) Any person (within the meaning of section 302 (h) of the Emergency Price Control Act of 1942, as amended) who is adversely affected by the order of the Price Administrator may, within thirty days after the action adjusting such maximum price or prices, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the order be enjoined or set aside in whole or in part.

The War Food Administrator shall be made a party to the proceedings and upon service of the summons and complaint, the Price Administrator shall certify and file in the court the transcript of the proceedings and the record upon which the order adjusting such maximum price or prices was based. The proceedings in and the determinations, orders, and decrees of such court shall be subject to all applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended; except, that wherever the term "Administrator" is used therein, it shall, for the purposes hereof, be construed to mean the War Food Administrator and the Price Administrator: Provided, That during the pendency of such proceedings the Price Administrator may not modify or rescind his order adjusting such maximum price or prices except upon the basis of additional joint findings on evidence adduced pursuant to the order of the court. The provisions of this section shall terminate coterminous with the expiration of the Emergency Price Control Act of 1942, as amended.

SEC. 5. The Commodity Credit Corporation may sell at a loss perishable fruits or vegetables, owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage.

And the Senate agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
ROBERT W. KEAN,

Managers on the part of the House.

J. H. BANKHEAD,
D. WORTH CLARK,
JNO THOMAS,
JOHN L. McCLELLAN,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1, relating to the method of appraising the assets of the Commodity Credit Corporation, is the same in the House bill, the Senate amendment, and the conference agreement.

Section 2, extending the life of the Commodity Credit Corporation to June 30, 1945, and providing for the audit of its financial transactions, is the same in the House bill, the Senate amendment, and the conference agreement, except for a typographical error in the Senate amendment and the following technical change with respect to a date referred to in such section. For the purpose of extending the life of the Corporation, the House bill struck out the date "December 31, 1943" in existing law and inserted in lieu thereof "June 30, 1945". Before the bill passed the Senate, this date in existing law had been changed to "February 17, 1944" by the joint resolution approved December 23, 1943. Consequently, the Senate amendment and the conference agreement refer to the date in existing law as February 17, 1944; and, since it is unlikely that this bill can be enacted into law by February 17, 1944, the conference agreement provides that the amendment extending the life of the Corporation shall take effect as of February 17, 1944, even though it should be enacted after that date.

Section 3, containing restrictions upon the payment of subsidies with respect to agricultural commodities, was much the same in the House bill and the Senate amendment. The House bill provided that subsidy programs announced on or before October 13, 1943, might be carried on until December 31, 1943. The Senate amendment provided that programs announced on or before January 14, 1944, might be carried on until June 30, 1944. The conference agreement follows the Senate amendment in this respect. The House bill provided that this section should not apply with respect to competitive domestic vegetable oils and fats and oilseed. The Senate amendment provided that the section should not apply with respect to those commodities and also that it should not apply with respect to domestic wool, sugar beets and sugarcane, oilseed meals, and wheat flour for export. The conference agreement follows the Senate amendment in this respect; except that (1) it omits the reference to wheat flour for export, as the provisions of the section do not in any manner affect the present program with respect to wheat flour for export, and (2) the conference agreement omits the reference to wool. The provisions of the section will not interfere with any

program such as the present program under which the Commodity Credit Corporation has arranged to purchase the 1944 wool clip. Insofar as this program is concerned, there is no necessity for excepting wool from the provisions of this section, and the reference to wool is omitted only for the purpose of preventing the inauguration of consumer subsidy programs with respect to this commodity. The Senate amendment also contained a provision, which was not in the House bill, providing that nothing in the section should be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law. The conference agreement retains this provision with a clarifying change to make it clear that the parity payments and soil-conservation payments referred to are not limited by the reference to title III of the Sugar Act of 1937, as amended. The Senate amendment made certain other changes of a clarifying nature in the language of this section of the House bill. The conference agreement adopts these changes with an additional clarifying change, which makes it clear that the maximum prices referred to in the section are those established under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of October 2, 1942.

Section 4 of the Senate amendment related to the adjustment of maximum prices for milk. There were no provisions in the House bill corresponding to this section of the Senate amendment. The section provided that within 120 days from the enactment of this act, and within each 6-month period thereafter, maximum prices on milk and milk products should be adjusted on a regional or market basis as the case might require to the extent necessary to (1) reflect changes in farm labor costs (including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm computed for all such labor on the basis of wage rates for hired farm labor), feed prices (including all feed fed whether purchased or home grown), and other costs, since January 1, 1941; (2) place the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war or civilian purposes. It also provided that consideration should be given to historical and normal differentials customarily applied as between markets and regions, and that in no event should maximum prices on milk and the products thereof be below support prices therefor or below the prices specified in section 3 of the Stabilization Act of October 2, 1942. The section also provided for adjustments of minimum prices pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, to reflect adjustments in maximum prices made pursuant to the provisions of this section. Subsection (b) of this section of the Senate amendment provided for holding hearings for the purpose of establishing maximum prices under the section. Subsection (c) provided for appeals to the Emergency Court of Appeals from orders issued under the section, provided that the War Food Administrator should be made a party to the proceedings in such court, and provided that the proceedings in such court should be subject to the applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended. The section

provided that its provisions should terminate whenever the Emergency Price Control Act of 1942, as amended, expires. The conference agreement retains this section of the Senate amendment, omitting the language which specified what was to be included in farm labor costs, and with other changes which are of a clarifying nature.

The provisions of section 4 (relating to the sale at a loss of perishable fruits and vegetables by the Commodity Credit Corporation) of the House bill were the same as the provisions of section 5 of the Senate amendment. These provisions are retained as section 5 of the conference agreement.

Section 6 of the Senate amendment increased the borrowing power of the Commodity Credit Corporation by \$250,000,000. The provisions of this section are omitted from the conference agreement.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
ROBERT W. KEAN,

Managers on the part of the House



Mr. McFARLAND. Was it explained why the voting power was not set up in accordance with the amounts contributed by the various nations?

Mr. GILLETTE. Yes.

Mr. McFARLAND. What explanation was given?

Mr. GILLETTE. Regardless of the contribution of 60 percent by us, the fact is that some of the signatories are merely "authorities," without any national existence. Under the definition of our Supreme Court they could not be parties to a treaty. We recognize them as "authorities." Under the Supreme Court decision they could not become parties to a treaty; and yet they are to have an equal vote with Mr. Acheson, who represents us on that policy-making organization.

Mr. McFARLAND. Will the Senator explain why the voting power was not made to conform to the amount contributed by each nation? Why was not the voting power set up in that way?

Mr. GILLETTE. I wish I knew. The proposal comes to us in this form.

I hope Senators will allow me to conclude.

In closing, let me say that I regret the position I must take on this measure. Since I have been a Member of Congress I have stayed awake many nights considering the necessity which I felt incumbent upon me as a Senator to vote to implement plenary authority by blank checks, delegating to the various agencies, bureaus, commissions, and departments of the Government the right to spend money, under restrictions, of course, which we laid down in the delegated authority. I have worried about that. I have worried because I had given my approval to that type of legislation, which to me is repugnant to every instinct of democratic administration of a people's affairs.

I cannot bring myself to support a proposal to authorize the expenditure of \$1,350,000,000 of the American people's money by an organization which we did not create, an organization in which we would have but only one vote, an organization for the machinery of which we would give approval, an organization which is a policy-making organization with power to determine and change in the future its policies under which the money is to be expended and over which we would have no control except the negative control over appropriations when it asks us for additional money. The Almighty knows that it will be back here asking for additional money, because we are the ones who control the purse strings.

EXTENSION OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

Mr. BANKHEAD submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, having met, after full and free conference, have agreed to recommend and do recom-

mend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 1 of the Act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term '31st of March' where that term first appears therein and substituting in lieu thereof the term '30th of June', and by deleting from the second sentence thereof 'on the basis of the cost, including not more than one year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of twelve months ending with March 31 of each year, whichever is less' and inserting in lieu thereof 'on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower'. The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

"Sec. 2. Section 7 of the Act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended by changing the designation thereof to section 7 (a); by striking out in the first sentence of such section 'February 17, 1944' and inserting in lieu thereof 'June 30, 1945' (this amendment to be effective as of February 17, 1944); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: 'Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided*, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further*, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of one fiscal year: *Provided further*, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the Act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however*, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided*, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting

Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions.

"Sec. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce, or in lieu of increasing, maximum prices established on such commodities under the provisions of the Emergency Price Control Act of 1942, as amended, or Public Law No. 729, approved October 2, 1942, except as provided in section 4 hereof: *Provided*, That with respect to any such commodities for which programs involving such payments or losses have been announced on or before January 14, 1944, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but such programs shall be completed not later than June 30, 1944: *Provided further*, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to domestic sugar beets and sugarcane and competitive domestic vegetable oils and fats and oil seed and oil seed meals: *And provided further*, That nothing herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

"Sec. 4. (a) Within a period of one hundred and twenty days from the effective date of this Act, and within each six-month period thereafter, maximum prices heretofore or hereafter established on milk and the products thereof (pursuant to the Emergency Price Control Act of 1942, as amended, or Public Law 729, approved October 2, 1942), shall be adjusted on a regional or market basis as the case may require to the extent necessary to (1) reflect changes in farm labor costs, feed prices (including all feed fed whether purchased or home grown), and other costs since January 1, 1941; (2) place

the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war and civilian purposes: *Provided*, That in determining the extent to which maximum prices shall be adjusted as provided herein, due consideration shall be given to historical and normal differentials customarily applied as between markets and regions: *Provided further*, That in no event shall maximum prices on milk and the products thereof be established below support prices therefor or below the prices specified in section 3 of Public Law Numbered 729, approved October 2, 1942: *Provided further*, That where minimum prices to producers of milk have been regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the War Food Administrator is hereby directed, within the periods prescribed in this section (relating to the adjustment of maximum prices), to adjust such minimum prices to reflect adjustments in maximum prices determined and ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section is intended, nor shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended.

"(b) In order to effectuate the purposes of paragraph (a) of this section, the War Food Administrator and the Price Administrator are hereby directed to hold public hearings on a regional or market basis as the case requires. For such purposes there shall be utilized the hearing procedure and the personnel of the Food Distribution Administration of the United States Department of Agriculture established under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and such other personnel of the Department of Agriculture and the Office of Price Administration as may be required. As soon as practicable after the completion of the hearing, but in any event within the periods specified in paragraph (a), the War Food Administrator and the Price Administrator shall make public their joint findings based only on relevant substantial evidence of record at the hearing and the Price Administrator forthwith shall issue an order adjusting such maximum price or prices on the basis of and in conformance with such findings.

"(c) Any person (within the meaning of section 302 (h) of the Emergency Price Control Act of 1942, as amended) who is adversely affected by the order of the Price Administrator may, within thirty days after the action adjusting such maximum price or prices, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the order be enjoined or set aside in whole or in part.

"The War Food Administrator shall be made a party to the proceedings and upon service of the summons and complaint, the Price Administrator shall certify and file in the court the transcript of the proceedings and the record upon which the order adjusting such maximum price or prices was based. The proceedings in and the determinations, orders, and decrees of such court shall be subject to all applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended; except, that wherever the term "Administrator" is used therein, it shall, for the purposes hereof, be construed to mean the War Food Administrator and the Price Administrator: *Provided*, That during the pendency of such proceedings the Price Administrator may not modify or rescind his order adjusting such maximum price or prices except upon the basis of additional joint findings on evidence adduced pursuant to the order of the court. The provisions of

this section shall terminate coterminous with the expiration of the Emergency Price Control Act of 1942, as amended.

"Sec. 5. The Commodity Credit Corporation may sell at a loss perishable fruits or vegetables, owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage."

And the Senate agreed to the same.

J. H. BANKHEAD,
D. WORTH CLARK,
JNO. THOMAS,
JOHN L. MCCLELLAN,
ROBERT A. TAFT,

Managers on the part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
ROBT. W. KEAN,

Managers on the part of the House.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. BANKHEAD. I yield.

Mr. WHITE. Is it the Senator's purpose to request action on the conference report this afternoon?

Mr. BANKHEAD. Yes. I ask for the present consideration of the report. There are a number of reasons for my desire to do so. The conference report is unanimous, and in substance it conforms to the attitude of the Senate. Only two things have been eliminated, and nothing has been added.

Mr. WHITE. It occurs to me that inasmuch as there are only a few Members of the Senate present it might be better to postpone consideration of the report. However, the Senator has said that it is a unanimous report.

Mr. BANKHEAD. It is a unanimous report.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

The Senate resumed the consideration of the joint resolution (H. J. Res. 192) to enable the United States to participate in the work of the United Nations relief and rehabilitation organization.

Mr. TAFT. Mr. President, I submit an amendment to the pending joint resolution which I send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the amendment will be read.

The LEGISLATIVE CLERK. At the bottom of page 15 it is proposed to insert the following:

No amendment involving any new obligation for the United States shall be made to the agreement for United Nations Relief and Rehabilitation without approval by joint resolution of Congress.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. VANDENBERG. Mr. President, at what point is the amendment to appear in the joint resolution?

Mr. TAFT. At the bottom of page 15 of the joint resolution.

Mr. VANDENBERG. The amendment is not intended to be offered to the agreement?

Mr. TAFT. No; it is intended to be offered as an amendment to the joint resolution itself.

Mr. McKELLAR. Mr. President, I submit certain reservations and amendments and ask that they lie on the table and be printed.

The PRESIDING OFFICER. The amendments and reservations will lie on the table and be printed.

PETROLEUM REPORT—INVESTIGATIONS OVERSEAS IN CONNECTION WITH THE NATIONAL DEFENSE PROGRAM (PT. 15 OF REPT. NO. 10)

Mr. MEAD. Mr. President, I ask unanimous consent to submit an additional report from the Special Committee to Investigate the National Defense Program, pursuant to Senate Resolution 71, Seventy-seventh Congress, and Senate Resolution 6, Seventy-eighth Congress, authorizing and directing an investigation of the national defense program, being the report of a subcommittee of the Special Committee Concerning Investigations Overseas: Section 1—Petroleum Matters.

The PRESIDING OFFICER. Without objection, the report will be received and printed.

Mr. MEAD. Mr. President, because of the lateness of the hour I shall not read the report, but I wish to invite the attention of the Senators to the fact that there is a copy of the report on their desks. This is the first report submitted by the committee following the return of the subcommittee which made the trip around the world.

The report contains the findings of our committee including the hearings which our subcommittee held in the various theaters of activity, particularly in the Middle East and in the Persian Gulf area. It also includes considerable material taken from the hearings which the subcommittee held both before we left this country and after our return.

It also includes, Mr. President, a study of this problem made by our full committee, together with the individual reports made to the Senate by the five members of the subcommittee who made the trip around the world.

The primary purpose of this report is to present to the public the essential basic facts with respect to the supply and demand in the United States for petroleum production and the reserves of petroleum that have been proved in the United States. These figures indicate that although no catastrophe faces the United States, petroleum is very important to the future prosperity of the United States and our present demand for petroleum is so great, compared to the supply and the proved reserves, that prudence requires us to give now serious attention to formulating a national policy with respect to petroleum.

In its report the committee does not attempt to formulate such a policy but instead attempts to outline some of the major problems that will have to be considered before such a policy can properly

House of Representatives

WEDNESDAY, FEBRUARY 16, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, the world gives its peace to reward toil and its rest from labor, but Thy peace passeth all understanding: "My peace, give I unto you; not as the world giveth, give I unto you." We pray for the inspiration of Thy presence to prepare us for earnest work and to stimulate us to wise action. Let us go forward to cast up a highway for those rhythmic feet of freedom; from the loins of those embattled hosts are destined to spring democracies and republics yet unborn.

Thou who art the Light of the world and the Vine of mystery, we pray that, tempered with knowledge, our acts may be the fruitage of being true to one's self through Thy unerring voice. Let us feel the determination of this throbbing purpose, to live for fixed moral principles, to engage in nothing that conflicts with the sovereignty of duty; following Him who for the joy that was set before Him endured the cross and glorified the mark of a slave. We pray for Thy counsel that we may keep Thy commandments, continue to deepen our respect for truth, for honor, and for our neighbor's good name. Send the impure darkness back from whence it came and let Thy pure light shine everywhere. Bestow upon our President, our Speaker, and the Congress the blessings of wisdom and the ease of the untroubled heart. We pray in the name of Saint Mary's holy Child. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 205. An act conferring jurisdiction upon the District Court of the United States for the Southern District of Florida to hear, determine, and render judgment upon the claims of all persons who have claims for damages or losses allegedly resulting from the construction, further development, and improvement of the Intracoastal Waterway, Miami to Jacksonville, Fla., and for other purposes;

H. R. 213. An act for the relief of Edward H. Smith;

H. R. 399. An act for the relief of John Sims;

H. R. 547. An act for the relief of Kernan R. Cunningham;

H. R. 550. For the relief of Mrs. Renzie Graham;

H. R. 610. An act for the relief of Pacific Dry Dock & Repair Co., Inc.;

H. R. 850. An act for the relief of George M. Louie;

H. R. 1311. An act for the relief of Dan Crofts;

H. R. 1388. An act to authorize the acceptance of donations of land for the construction of a scenic parkway to provide an appropriate view of the Great Smoky Mountains National Park from the Tennessee side of the park, and for other purposes;

H. R. 1442. An act for the relief of Lafayette Gibson;

H. R. 1467. An act to record the lawful admission to the United States for permanent residence of Rev. Julius Paal;

H. R. 1854. An act for the relief of Ethel Cohen;

H. R. 1872. An act for the relief of J. E. McCoy & Son;

H. R. 1934. An act for the relief of Mrs. Donald B. Johnston;

H. R. 2075. An act for the relief of Charles R. Hooper;

H. R. 2199. An act to amend an act entitled "An act in relation to taxes and tax sales in the District of Columbia," approved February 28, 1898, as amended;

H. R. 2340. For the relief of the Postal Telegraph-Cable Co.;

H. R. 2580. An act to grant the consent of Congress to a compact entered into by the States of South Dakota and Wyoming relating to the waters of the Belle Fourche River Basin, to make provisions concerning the exercise of Federal jurisdiction as to those waters, to promote the most efficient use of those waters, and for other purposes;

H. R. 2639. An act for the relief of William M. Tucker and Nelda M. Tucker;

H. R. 2690. An act for the relief of Oswald L. Sawyer;

H. R. 2691. An act for the relief of Tom S. Steed;

H. R. 2804. An act for the relief of Ruth E. P. Phillips, as executrix of the estate of Amos Russell Phillips, deceased;

H. R. 2924. An act to give effect to the Provisional Fur Seal Agreement of 1942 between the United States of America and Canada; to protect the fur seals of the Pribilof Islands; and for other purposes;

H. R. 2976. An act to grant military rank to certain members of the Navy Nurse Corps;

H. R. 3001. An act for the relief of James T. Rogers;

H. R. 3076. An act for the relief of the legal guardian of Arthur J. Martin, Jr., a minor;

H. R. 3153. An act for the relief of the estate of Jennie I. Weston, deceased;

H. R. 3189. An act for the relief of Thomas Lewis;

H. R. 3329. An act for the relief of Lt. Col. Charles H. Morhouse;

H. R. 3332. An act for the relief of Spencer Meeks;

H. R. 3428. An act to amend sections 6, 7, and 8 of the act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," approved October 20, 1914 (38 Stat. 741, 743; 48 U. S. C., secs. 440, 441, 442);

H. R. 3504. An act for the relief of Wade Bros., a partnership composed of M. J., G. W., and Ovid Wade;

H. R. 3605. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires in tents used

as quarters by members of the Twelfth Naval Construction Battalion, Long Island, Alaska, on December 26, 1942, and May 26, 1943, respectively;

H. R. 3606. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as a result of a fire at the outlying degaussing branch of the Norfolk Navy Yard, Portsmouth, Va., on December 4, 1942;

H. R. 3607. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as a result of a fire in tent L-76 at the Amphibious Training Base, Camp Bradford, Norfolk, Va., on March 15, 1943; and

H. R. 3760. An act authorizing the President to present, in the name of Congress, a Distinguished Service Medal to Lt. Gen. Thomas Holcomb, United States Marine Corps.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 85. An act to amend the act of March 3, 1927, entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes";

H. R. 324. An act to place postmasters at fourth-class post offices on an annual-salary basis, and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof;

H. R. 480. An act for the relief of Francesco P. Mastrilli;

H. R. 1047. An act for the relief of the State of Oregon, Department of Forestry of the State of Oregon, and certain organized protection agencies in the State of Oregon for protection of unappropriated public-forest lands intermingled with Oregon and California lands from July 1, 1938, to June 30, 1939;

H. R. 1594. An act for the relief of Peter A. Gawalis;

H. R. 1637. An act for the relief of Fred Hunter;

H. R. 1835. An act for the relief of Frederick Lee Littlefield;

H. R. 2131. An act for the relief of Henry Angell;

H. R. 2350. An act to liberalize the service-pension laws relating to veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition, and their dependents;

H. R. 2697. An act to provide for the disposal of materials or resources on the public lands of the United States which are under the exclusive jurisdiction of the Secretary of the Interior;

H. R. 2836. An act to grant increases in compensation to substitute employees in the Postal Service, and for other purposes;

H. R. 3157. An act for the relief of Lloyd L. Johnson and P. B. Hume;

H. R. 3261. An act to amend the act of April 29, 1943, to authorize the return to private ownership of Great Lakes vessels and vessels of 1,000-gross tons or less, and for other purposes; and

H. R. 3916. An act to permit the construction and use of certain pipe lines for pneu-

matic tube transmission in the District of Columbia.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3477) entitled "An act to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BANKHEAD, Mr. CLARK of Idaho, Mr. McCLELLAN, Mr. TAFT, and Mr. THOMAS of Idaho, to be the conferees on the part of the Senate.

The message also announced that the Senate had adopted the following resolution (S. Res. 255):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. LEONARD W. SCHUETZ, late a Representative from the State of Illinois.

Resolved, That a committee of three Senators be appointed by the President of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock noon tomorrow.

The message also announced that the Acting President pro tempore had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following Departments:

1. Department of Commerce.
2. Department of Justice.
3. Department of War.

ELECTION CONTEST OF E. O. CLARK AGAINST JACK NICHOLS

Mr. PETERSON of Georgia. Mr. Speaker, I call up House Resolution 440, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the election contest of E. O. Clark, contestant, against Jack Nichols, contestee, Second Congressional District of the State of Oklahoma, be dismissed.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield to me?

Mr. PETERSON of Georgia. I yield to the gentleman.

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. RIZLEY]?

There was no objection.

[Mr. RIZLEY addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL, FISCAL YEAR 1945

Mr. RABAUT, from the Committee on Appropriations, reported the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes (Rept. No. 1149), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. WIGGLESWORTH reserved all points of order on the bill.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. May I ask the gentleman from Michigan if the members of the Committee on Appropriations have made any agreement as to the time to be allowed for general debate on the bill he has just reported?

Mr. RABAUT. They have not.

Mr. McCORMACK. Can the gentleman advise the House what time is likely to be allowed for general debate, for the information of the Members?

Mr. RABAUT. I may say to the distinguished majority leader that the ranking minority member of the committee has just left the floor, and I cannot inform the gentleman at this time concerning that matter.

Mr. McCORMACK. Will the gentleman from Michigan confer with the minority members and see if you can agree on the time for general debate, and let the gentleman from Massachusetts and me know what agreement has been reached so that I may advise the House about it later?

Mr. RABAUT. I will do that. I thank the gentleman.

DISPOSITION OF SURPLUS GOVERNMENT PROPERTY

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[Mr. COCHRAN addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two tables.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered in my district by our colleague the gentleman

from New Jersey [Mr. AUCHINCLOSS] on February 10.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to provide a basis of annual appraisal of its assets, and for other purposes, have until midnight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE submitted the following conference report and statement:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 1 of the Act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term '31st of March' where that term first appears therein and substituting in lieu thereof the term '30th of June', and by deleting from the second sentence thereof 'on the basis of the cost, including not more than one year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of twelve months ending with March 31 of each year, whichever is less' and inserting in lieu thereof 'on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower'. The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

"SEC. 2. Section 7 of the Act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended by changing the designation thereof to section 7 (a); by striking out in the first sentence of such section 'February 17, 1944' and inserting in lieu thereof 'June 30, 1945' (this amendment to be effective as of February 17, 1944); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: 'Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: Provided, That the Corporation shall continue to have the authority to make final and

conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further*, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of one fiscal year: *Provided further*, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the Act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however*, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided*, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositories and with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

"Sec. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce, or in lieu of increasing, maximum prices established on such commodities under the provisions of the Emergency Price Control Act of 1942, as amended, or Public Law No. 729, approved October 2, 1942, except as provided in section 4 hereof: *Provided*, That with respect to any such commodities for which programs involving such payments or losses have been announced on or before January 14, 1944, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but such programs shall be completed not later than June 30, 1944: *Provided further*, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved

July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to domestic sugar beets and sugarcane and competitive domestic vegetable oils and fats and oil seed and oil seed meals: *And provided further*, That nothing herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

"Sec. 4. (a) Within a period of one hundred and twenty days from the effective date of this Act, and within each six-month period thereafter, maximum prices heretofore or hereafter established on milk and the products thereof (pursuant to the Emergency Price Control Act of 1942, as amended, or Public Law 729, approved October 2, 1942), shall be adjusted on a regional or market basis as the case may require to the extent necessary to (1) reflect changes in farm labor costs, feed prices (including all feed fed whether purchased or home grown), and other costs since January 1, 1941; (2) place the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war and civilian purposes: *Provided*, That in determining the extent to which maximum prices shall be adjusted as provided herein, due consideration shall be given to historical and normal differentials customarily applied as between markets and regions: *Provided further*, That in no event shall maximum prices on milk and the products thereof be established below support prices therefor or below the prices specified in section 3 of Public Law Numbered 729, approved October 2, 1942: *Provided further*, That where minimum prices to producers of milk have been regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the War Food Administrator is hereby directed, within the periods prescribed in this section (relating to the adjustment of maximum prices), to adjust such minimum prices to reflect adjustments in maximum prices determined and ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section is intended, nor shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended."

"(b) In order to effectuate the purposes of paragraph (a) of this section, the War Food Administrator and the Price Administrator are hereby directed to hold public hearings on a regional or market basis as the case requires. For such purposes there shall be utilized the hearing procedure and the personnel of the Food Distribution Administration of the United States Department of Agriculture established under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and such other personnel of the Department of Agriculture and the Office of Price Administration as may be required. As soon as practicable after the completion of the hearing, but in any event within the periods specified in paragraph (a), the War Food Administrator and the Price Administrator shall make public their joint findings based only on relevant substantial evidence of record at the hearing and the Price Administrator forthwith shall issue an

order adjusting such maximum price or prices on the basis of and in conformance with such findings.

"(c) Any person (within the meaning of section 302 (h) of the Emergency Price Control Act of 1942, as amended) who is adversely affected by the order of the Price Administrator may, within thirty days after the action adjusting such maximum price or prices, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the order be enjoined or set aside in whole or in part.

"The War Food Administrator shall be made a party to the proceedings and upon service of the summons and complaint, the Price Administrator shall certify and file in the court the transcript of the proceedings and the record upon which the order adjusting such maximum price or prices was based. The proceedings in and the determinations, orders, and decrees of such court shall be subject to all applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended; except, that wherever the term 'Administrator' is used therein, it shall, for the purposes hereof, be construed to mean the War Food Administrator and the Price Administrator: *Provided*, That during the pendency of such proceedings the Price Administrator may not modify or rescind his order adjusting such maximum price or prices except upon the basis of additional joint findings on evidence adduced pursuant to the order of the court. The provisions of this section shall terminate coterminous with the expiration of the Emergency Price Control Act of 1942, as amended."

"Sec. 5. The Commodity Credit Corporation may sell at a loss perishable fruits or vegetables, owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage."

And the Senate agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
ROBERT W. KEAN,

Managers on the part of the House.

J. H. BANKHEAD,
D. WORTH CLARK,
JNO. THOMAS,
JOHN L. MCCLELLAN,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1, relating to the method of appraising the assets of the Commodity Credit Corporation, is the same in the House bill, the Senate amendment, and the conference agreement.

Section 2, extending the life of the Commodity Credit Corporation to June 30, 1945, and providing for the audit of its financial transactions, is the same in the House bill, the Senate amendment, and the conference agreement, except for a typographical error in the Senate amendment and the following technical change with respect to a date referred to in such section. For the purpose of extending the life of the Corporation, the House bill struck out the date "December 31, 1943" in existing law and inserted in lieu thereof "June 30, 1945". Before the bill passed the Senate, this date in existing law had been changed

to "February 17, 1944" by the joint resolution approved December 23, 1943. Consequently, the Senate amendment and the conference agreement refer to the date in existing law as February 17, 1944; and, since it is unlikely that this bill can be enacted into law by February 17, 1944, the conference agreement provides that the amendment extending the life of the Corporation shall take effect as of February 17, 1944, even though it should be enacted after that date.

Section 3, containing restrictions upon the payment of subsidies with respect to agricultural commodities, was much the same in the House bill and the Senate amendment. The House bill provided that subsidy programs announced on or before October 13, 1943, might be carried on until December 31, 1943. The Senate amendment provided that programs announced on or before January 14, 1944, might be carried on until June 30, 1944. The conference agreement follows the Senate amendment in this respect. The House bill provided that this section should not apply with respect to competitive domestic vegetable oils and fats and oilseed. The Senate amendment provided that the section should not apply with respect to those commodities and also that it should not apply with respect to domestic wool, sugar beets and sugarcane, oilseed meals, and wheat flour for export. The conference agreement follows the Senate amendment in this respect; except that (1) it omits the reference to wheat flour for export, as the provisions of the section do not in any manner affect the present program with respect to wheat flour for export, and (2) the conference agreement omits the reference to wool. The provisions of the section will not interfere with any program such as the present program under which the Commodity Credit Corporation has arranged to purchase the 1944 wool clip. Insofar as this program is concerned, there is no necessity for excepting wool from the provisions of this section, and the reference to wool is omitted only for the purpose of preventing the inauguration of consumer subsidy programs with respect to this commodity. The Senate amendment also contained a provision, which was not in the House bill, providing that nothing in the section should be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law. The conference agreement retains this provision with a clarifying change to make it clear that the parity payments and soil-conservation payments referred to are not limited by the reference to title III of the Sugar Act of 1937, as amended. The Senate amendment made certain other changes of a clarifying nature in the language of this section of the House bill. The conference agreement adopts these changes with an additional clarifying change, which makes it clear that the maximum prices referred to in the section are those established under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of October 2, 1942.

Section 4 of the Senate amendment related to the adjustment of maximum prices for milk. There were no provisions in the House bill corresponding to this section of the Senate amendment. The section provided that within 120 days from the enactment of this act, and within each 6-month period thereafter, maximum prices on milk and milk products should be adjusted on a regional or market basis as the case might require to the extent necessary to (1) reflect changes in farm labor costs (including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm computed for all such labor on the basis of wage rates for hired farm labor), feed prices (including all feed fed whether purchased or home grown), and other costs, since

January 1, 1941; (2) place the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war or civilian purposes. It also provided that consideration should be given to historical and normal differentials customarily applied as between markets and regions, and that in no event should maximum prices on milk and the products thereof be below support prices therefor or below the prices specified in section 3 of the Stabilization Act of October 2, 1942. The section also provided for adjustments of minimum prices pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, to reflect adjustments in maximum prices made pursuant to the provisions of this section. Subsection (b) of this section of the Senate amendment provided for holding hearings for the purpose of establishing maximum prices under the section. Subsection (c) provided for appeals to the Emergency Court of Appeals from orders issued under the section, provided that the War Food Administrator should be made a party to the proceedings in such court, and provided that the proceedings in such court should be subject to the applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended. The section provided that its provisions should terminate whenever the Emergency Price Control Act of 1942, as amended, expires. The conference agreement retains this section of the Senate amendment, omitting the language which specified what was to be included in farm labor costs, and with other changes which are of a clarifying nature.

The provisions of section 4 (relating to the sale at a loss of perishable fruits and vegetables by the Commodity Credit Corporation) of the House bill were the same as the provisions of section 5 of the Senate amendment. These provisions are retained as section 5 of the conference agreement.

Section 6 of the Senate amendment increased the borrowing power of the Commodity Credit Corporation by \$250,000,000. The provisions of this section are omitted from the conference agreement.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
ROBERT W. KEAN,

Managers on the part of the House.

EXTENSION OF REMARKS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Pittsburgh Press, and further to extend my own remarks and include therein an article by Dorothy Thompson.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. STEVENSON asked and was given permission to extend his own remarks in the RECORD.)

Mr. SCHIFFLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[The matter referred to appears in the Appendix.]

SIMPLIFIED EXPLANATION AND ANALYSIS OF INCOME-TAX FORM 1040

Mr. COMPTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a statement.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. COMPTON. Mr. Speaker, I call to your attention a simplified explanation and analysis of income-tax Form 1040 which I am placing in the RECORD at the suggestion of several Members who have been as much at sea as I have as to how to make out that form. I think this will be helpful not only to the Members of the House but to some 40,000,000 taxpayers.

EXTENSION OF REMARKS

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the gentleman from New York, the Honorable JOSEPH J. O'BRIEN.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

PETROLEUM RESERVES

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, for some weeks I have been working on a comprehensive speech on the subject of oil and I hope to have it ready for delivery within the next few days. Since, however, announcement of the proposed construction of a pipe line across Arabia has brought oil very much to public attention, there are a couple of things I want to say right now.

The first is that whereas some Members of Congress seem to be worried about the Government "getting into" the oil

Feb
17.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 18, 1944, for actions of Thursday, February 17, 1944)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT; SUBSIDIES. Agreed, 249-118, to the conference report on H.R. 3477, the CCC bill (pp. 1854-62). This bill will now be sent to the President. Chairman Spence of the Banking and Currency Committee spoke opposing the bill and explained his signing the conference report "as a House conferee" (p. 1854). Rep. Wolcott, Mich., discussed the provision relating to the dairy industry and inserted a statement by the National Cooperative Milk Producers Federation, "Why Dairy Products Require Special Legislative Treatment" (pp. 1855-56). Rep. Brown, Ga., spoke favoring subsidies and stated, "The farm bloc and its supporters must shoulder the responsibility if inflation engulfs the Nation" (p. 1857). Rep. Crawford, Mich., criticized subsidies (pp. 1858-60). Rep. Patman, Tex., spoke favoring subsidies (pp. 1860-61).
2. STATE, JUSTICE, COMMERCE APPROPRIATION BILL. Began general debate on this bill, H.R. 4204 (pp. 1864-79). Rep. Rabaut, Mich., discussed the provisions of the bill (pp. 1864-48).
3. GUAYULE INVESTIGATION. Agreed, without amendment, to H.Res. 443, providing \$5,000 for expenses pursuant to H.Res. 346, authorizing the Agriculture Committee to investigate the guayule-rubber program "with a view of determining whether such a program is being carried forward in a manner calculated to achieve such a domestic source in the shortest possible time" (pp. 1845, 1882).
4. COMMITTEE MEMBERSHIP. Rep. Hoch, Pa., resigned from several committees, including Expenditures in the Executive Departments and Public Lands Committees and was elected to the Banking and Currency Committee. Rep. Slaughter, Mo., resigned from the Banking and Currency Committee and was elected to the Rules Committee. (p. 1848.)
5. A.A.A. PAYMENTS. Received from the War Food Administration a report containing the names of payees who received \$1,000 or more for participation in the 1941 and 1942 programs under the Soil Conservation and Domestic Allotment and AAAacts. To Agriculture Committee. (p. 1882.)

6. PERSONNEL; HEALTH. Received from the Civil Service Commission a draft of proposed legislation to authorize Federal employee health programs in the various Government agencies. To Civil Service Committee. (p. 1882.)
7. RECLAMATION. Received from Interior a draft of proposed legislation to amend the Reclamation Act so as to extend the time in which amendatory contracts may be made. To Irrigation and Reclamation Committee. (p. 1882.)
8. CLAIMS. Judiciary Committee reported with amendment H.R. 3609, to permit the U.S. to be made a party defendant in cases involving sale of property subject to foreclosure of a mortgage or other lien (H.Rept. 1159) (p. 1882).
9. FOOD PRODUCTION. Received from R.A. Manire, Tex. agricultural education director, a petition favoring additional appropriations for war training for food production (p. 1883).
10. LAND DISPOSITION. Received from the Queens, N.Y., C of C a resolution favoring the Byrd Committee's recommendations relating to the liquidation of surplus holdings of land by the Federal Government and establishment of a central land agency (p. 1883).
11. LEGISLATIVE PROGRAM as announced by Majority Leader McCormack: "If the [State, Justice, and Commerce appropriation] bill...is disposed of...tomorrow there will be no business until Wednesday of next week" (p. 1863).

SENATE

12. APPROPRIATIONS. Received from the President a supplemental estimate of appropriation increasing by \$4,375,000 the amount for Rural Delivery Service, Post Office Department (S. Doc. 153) (p. 1805).
13. DAIRY INDUSTRY. Finance Committee reported with amendments S. 1006, to authorize the condemnation of materials which are intended for use in processed or renovated butter and which are unfit for human consumption (S. Rept. 708) (p. 1806).
H.R. 149, which would change the Food and Drug Administration's standard of identity for drymilk solids, was made the unfinished business (p. 1841).
14. FISH MARKETING. Passed without amendment H.R. 3997, to prohibit the sale of fresh shad or herring in D.C. between June 10 and Nov. 30 of any year (p. 1841). This bill will now be sent to the President.
15. ASSISTANT SECRETARY OF THE INTERIOR. Concurred in the House amendment to S. 1140, to provide for the wartime appointment of an additional Assistant Secretary of the Interior (p. 1840). This bill will now be sent to the President.
16. FLOOD CONTROL; RECLAMATION. Sen. Murray, Mont., inserted a statement made by the Governors of Mont., N. Dak., and Wyo., concerning the development of an irrigation, reclamation, and power program on the Missouri River (pp. 1807-08).
17. FOREIGN RELIEF. Passed, 47-14, with amendments H.J.Res. 192, to enable the U.S. to participate in the work of UNRRA (pp. 1808-40).
Agreed to the following amendments: Committee amendment to terminate the authorization on June 30, 1946 (p. 1830); by Sen. Taft, Ohio, to provide that no new obligations for the U.S. shall be binding without Congressional approval

550,000 acre-feet go to the metropolitan water district area, of which I have just spoken, and the next water, which is being given to Mexico by the Department of State through this treaty, is water which the county of San Diego and the county of Los Angeles expect to drink in the years when they will most need it. I commend the gentleman from California [Mr. HINSHAW] on the able and courageous manner in which he has presented to Congress the attempted violation of the integrity of this House.

Mr. HINSHAW. I thank the gentleman for his contribution. He may be in slight error as to the exact priority but his principle is correct.

Mr. IZAC. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from California.

Mr. IZAC. It so happens that 112,000 acre-feet that the city and county of San Diego are to get as a result of the building of \$400,000,000 worth of aqueducts and dams is not firm water. It is what we get after all the rest is taken care of, after all of the other people of the upper basin States and the lower basin States and apparently the Republic of Mexico—after all their wants are satisfied we may get 112,000 acre-feet. It is not firm water such as this million and a half that is proposed to be given to Mexico.

Mr. HINSHAW. In all probability if the provisions of this treaty are carried through the city of San Diego will be without this available water in a short time.

Mr. IZAC. Of course, if this war continues and they should pass such a treaty as this, there is no doubt in my mind that there would be reaction from the Army and Navy because we would not have enough water there to take care of the Military and Naval Establishments. So they would see that we would get our water in some way. But, after the war is over the city and county of San Diego will be standing on their own, and there will be no Army and Navy to help us out, and I am wondering what is going to happen to the development of that section of California.

Mr. HINSHAW. It will be smothered, I will say to the gentleman.

Mr. IZAC. Water is very necessary for our very life. Here is the point of this whole thing: We have built an all-American canal with American money. We are now proposing that Mexico come up there and use that canal. We let them not only use the works, the concrete, the canal, and all, but we permit them to have 500,000 acre-feet out of that canal, which was never contemplated when it was built. That is just one feature of this thing.

The next thing I would like to call attention to is this: If we pass a treaty of this kind we say to Mexico, "You have no right, under comity or under legal rules to more than you received before our works were installed. However, we are going to give you just double the amount that you used before because we want to be fair and we want to be good neighbors."

I think that would be very fine were it not for the fact that in so doing we are

depriving American citizens of the thing that we are so generous with.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield to me?

Mr. HINSHAW. I yield to the gentleman from Arizona whose State is vitally concerned in this issue.

Mr. MURDOCK. I have not yet read this treaty. I want to assure the gentleman that I am tremendously interested in this, because it is of vital importance. Does this treaty provide for any expenditure of funds? Or does the putting of it into effect call for appropriations?

Mr. HINSHAW. It provides that the United States shall be obligated to construct certain public works, which in my humble opinion, is an obligation to expend public funds. On the other hand, we all know that this treaty cannot go into effect in full unless, first, the Congress itself has authorized the expenditure of these funds, and I believe also has approved the allocation of the use of the properties and the waters to Mexico.

Mr. MURDOCK. My colleagues from the adjoining State of California have not put this case too strongly. Water is life in our semiarid West. We stand to lose water by this treaty. I am wondering about its other provisions.

Mr. HINSHAW. I thank the gentleman. Copies of the treaty are now available. The injunction of secrecy has finally been removed.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. MICHENER. It seems to me, Mr. Speaker, we are going far afield. The merits of the treaty are in no way before the House. The whole question, as I listened to it, is a resolution which authorizes the Committee on the Judiciary to make a study of the treaty and the action taken by the Executive, and the contemplated action to be taken by the Senate in reference to the treaty, and then to report back to the House whether or not, in the opinion of the Committee on the Judiciary of the House, the Executive of the United States and the Senate of the United States have a right, constitutionally, to consummate the treaty. That is all that is before the House.

Something has been said about precedent. Now, there is precedent. The gentleman from California has just called it to my attention. It is away back there, but it stands.

Mr. HINSHAW. May I say to the gentleman from Michigan, Mr. Speaker, I am given to understand the gentleman from Massachusetts [Mr. McCORMACK], the majority leader, intends to move that this question be referred to the Committee on the Judiciary, in order to determine whether or not the questions raised in the resolution should be inquired into.

Mr. MICHENER. If that is done, the gentleman gets control of the floor under a misapprehension of the facts and the rules, because before any action can be taken by the Speaker under the present procedure, the Speaker must determine that a question of constitutional privilege is embodied in the resolution. If the

Speaker so finds, then it would be in order for the gentleman from California to insist upon a vote on his resolution, and if he does that and the matter is referred to the Committee on the Judiciary, you have not gone anywhere except to ask that committee to give its opinion as to the legality of the action contemplated or threatened to be taken by the President and the Senate.

Mr. HINSHAW. That is all the resolution goes to.

Mr. MICHENER. There will be no vitality in any such action, regardless of the merits of the proposition.

Mr. HINSHAW. Now, Mr. Speaker, I disagree with the gentleman from Michigan [Mr. MICHENER], and I believe that a majority of this House will disagree with the gentleman, that there would be no vitality in the resolution. It would certainly inform, by regular processes, the other body, and the President of the United States, of the opinion of this House in relation to the constitutionality of the acts being proposed. I submit that the Committee on the Judiciary of this House, being a committee composed of some of the most learned legal talent in the United States, and, in my opinion, at least equivalent in their knowledge and common sense to the highest court of the land, would have good reason to report to the House concerning its constitutionality.

I yield to the gentleman from Arizona [Mr. HARLESS].

Mr. HARLESS of Arizona. I want to compliment the gentleman from California on his interest in this matter. You gentlemen in the East can hardly realize the importance of water in the West. This matter is of such magnitude I am sure that every Member of this House has an interest in determining what course should be taken, as much as the Senate. I simply wanted to compliment the gentleman from California [Mr. HINSHAW] for bringing it to our attention.

Mr. HINSHAW. I thank the gentleman from Arizona, who is ever alert to the interests of his State.

Mr. Speaker, there being no further questions to be asked on this matter, and as I have stated as much as is necessary to present the matter to the House, I trust that the House will be unanimous in its favorable action on this resolution, favorable to the public interests which I, and the gentlemen who have spoken with me, represent. I yield back the balance of my time.

Mr. McCORMACK. Mr. Speaker, this resolution should take the regular procedure of any other resolution, and the bill referred to the appropriate committee for consideration and report back to the House on what action shall be taken.

I move that the matter be referred to the Committee on the Judiciary.

The question is on the motion of the gentleman from Massachusetts.

The motion was agreed to.

The SPEAKER. The resolution is referred to the Committee on the Judiciary of the House.

Without objection, a motion to reconsider will be laid on the table.

There was no objection.

CONTINUING COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of the House of February 16, 1944.)

Mr. SPENCE. Mr. Speaker, I yield to the gentleman from Oregon [Mr. MOTT] such time as he may desire.

[Mr. MOTT addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. MOTT asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I do not intend to address these few remarks to the merits of the bill or the report. I voted against the bill when it was in the House. I was appointed a conferee and signed the conference report. It perturbed me somewhat as to whether I should have signed that report or not, but after consideration I did sign it and I intend to vote against it. I acted as the agent of the House when I became a conferee. You charged me to carry out your will and I endeavored to do that.

Under the Constitution it is provided that the identical bill must pass both Houses before it can become law and the instrumentality by which that is effected is the conference. I felt it was my duty to subordinate my own views to the expressed will of the House and, therefore, I signed the report in order that the orderly processes of legislation should not be retarded and that the final passage should be expedited.

I make this statement because I do not want to be subjected to the criticism of any of my colleagues who may think it is inconsistent for one to sign a report and vote against it.

I now feel I am free to exercise my own judgment. I am no longer a conferee and under no obligations to carry out the will of the House; therefore, I intend to vote as I voted previously, against the conference report; and if the bill is vetoed, I intend to vote to sustain the President's veto.

The bill as it comes back here is practically the bill that was sent to conference except there are a few more producers' subsidies in the bill. It states no fixed policy, it enunciates no principle except that the unorganized, nonvocal

majority, the consumers, shall not have the benefit of a subsidy.

Mr. Speaker, I now yield 15 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, this bill comes back to us in better form and more understandable than when it left us. We anticipate that if we adopt this conference report and this bill goes to the President, the usual argument will be made that unless consumer subsidies are paid we are going to have inflation. Nothing could be further from the truth. There is not an economist not on the Federal pay roll but who is in hearty accord that the payment of consumer subsidies is decidedly inflationary based upon the premise, as has been so frequently said, that we leave that much more money in the consumers' pockets with which to bid for nonavailable consumer goods.

Mr. Bowles himself admits that it adds to the national debt. Mr. Bowles says in a letter, a copy of which I have here:

Of course, there are arguments against subsidies the validity of which I recognize. They will add to the tax burden and increase the national debt.

Of course, those are inflationary tendencies, nothing to the contrary notwithstanding. He goes on further to say:

They introduce new principles into the American economy which have never before been experienced.

Thereby dissipating the argument that subsidies of this nature which we prohibit in this bill have been paid for the last 8 or 10 years. These are new subsidies which introduce new principles into the American economy, as Mr. Bowles says.

We anticipate this bill will be vetoed and we anticipate that in the veto message the claim is going to be made that unless we pay these subsidies we are going to have inflation. I have covered that, but I would like to have you all bear in mind the statement by Mr. Bowles and the allegations made by these economists who are not on the Federal pay roll when you listen to the arguments as to why we should pay consumers' subsidies. Personally, I feel so keenly that there is a fundamental question involved in this issue that if this Congress fails to override the President's veto we must effectuate a temporary strategic retreat but only for the purpose of consolidating our lines in anticipation of a very strong counter offensive.

It will be recalled that the O. P. A. expires on June 30. This question of consumers' subsidies is more allied with the prices established under the Price Control Act than prices paid by the Credit Corporation to producers, so we might expect that the counter offensive will be in the form of attempts to limit the operation of the Price Control Act in such a manner as to prevent the socialization of agriculture through this vehicle of paying consumers' subsidies.

The fundamental problem involved in this issue is not the \$400,000,000 or the \$800,000,000 involved; it is whether the

Federal Government is to be given absolute control over the production, the prices, and the distribution of food, which means the socialization of agriculture. In the 1935 Banking Act, and in another act passed in 1939 known as H. R. 6971, the fundamental problem before the House was, "Shall the Federal Government socialize banking and credit?" Just as this issue is involved in some of the acts pending in Congress today which would socialize medicine, which would socialize social security, which would socialize industry and business, so the question as to whether America shall be socialized is the fundamental issue involved in this bill before us now.

There are those in the Government who insist that America become a socialistic nation in order that it may take its position in a confederation of socialized nations following this war. Perhaps they are sincere in the belief that if we do not socialize America in order that we may take our position as one of a group of Socialist nations following this war, we might find ourselves isolated economically, politically, and socially from the rest of the world. However, there are some of us who believe that America can wield greater influence in the post-war economic, political, and social world if she strengthens herself under her Constitution, thereby impelling other nations to join with us instead of our having to destroy the American form of government in order that we may join a socialistic coalition of nations combating republican democracy. That is the fundamental issue involved.

Mr. Speaker, I have said this bill has been clarified in some respects. I want to make a statement which I do not think can be successfully contradicted, that this bill in no manner prohibits or interferes with any support-price program, with any parity program, with any soil-conservation program, or any program set up to encourage the production of agricultural products. If you will read the bill, and you do not have to read it too carefully, you will find that we prevent in this bill the payment of subsidies or the absorption of losses for a definite purpose. We prohibit the payment of subsidies and the absorption of losses for the purpose of preventing a reduction in maximum prices or in allowing increases in maximum prices.

What do we mean by "maximum prices"? If there was any question in the House bill as to what was meant by "maximum prices," then we have clarified that in this conference report by stating specifically that these maximum prices are the maximum prices established under the Price Control Acts.

So there can be no question but that what we prohibit in this bill, and the only thing which we prohibit, is the payment of subsidies or the absorption of losses for the purpose of reducing maximum prices established under the Price Control Act, or in lieu of increasing maximum prices established under the Price Control Act. It does not interfere with the operation of any price-support program either in respect to prices or subsidies where the support price is below the

parity price, because the Price Control Act already provides that no maximum price shall be put on any agricultural product below the parity price. This bill does provide, however, that if the support price on an agricultural commodity is above the parity price, the maximum price shall be increased to the new support price.

I want to clarify that the term "maximum prices" in this bill has no relationship whatever to prices paid to the producers of agricultural products. They have relation solely to the maximum prices established under the Price Control Act. We forbid the manipulation of those maximum consumer prices by the payment of subsidies, and make it very definite that we continue all of the subsidy programs that are for the purpose of encouraging the maximum amount of production.

Mr. WOODRUFF of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. The price of which the gentleman speaks is the retail price?

Mr. WOLCOTT. It is the retail price, because the maximum prices set in the Price Control Act are the prices to the consumers. That is why I have so frequently said that in order to have an understanding of this you have to be fair enough to distinguish between consumer prices and producer prices. I think we have made that very clear.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman very plainly contends that this is not going to affect the producer as far as prices are concerned. Does the gentleman contend that it is not going to affect the pocketbook of the ultimate consumer?

Mr. WOLCOTT. I have never made any such contention. I have always contended that it was going to affect the pocketbook of the ultimate consumer. It will affect him in this way. It will affect him by compelling him to pay 5 cents more per pound for butter and an average of 3 cents per pound more for meat, which means that the individual who will then pay out of his own pocket to the corner grocery that 5 cents will be relieved of the obligation of having to pay 15 cents into the Federal Treasury to reimburse the Treasury for the nickel which under existing law it pays to the corner grocery store. This means that he will make an investment of a nickel today to save 15 cents 5 years from now.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from South Carolina.

Mr. RIVERS. Will the gentleman explain to the House section 4 of the conference report? The reason I ask this is that the milk producers in my part of the country are going out of business. They have no way to get any help from the War Food Administration and the O. P. A. I am hopeful that this amendment will take care of that difficulty.

Mr. WOLCOTT. In that connection, Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a statement handed to me by the National Cooperative Milk Producers Federation entitled "Why Dairy Products Require Special Legislative Treatment." I think it is all found in there.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. May I say briefly, Mr. Speaker, that section 4 in respect to milk is in keeping with our philosophy of the bill in that it compels an increase in the price of milk to absorb increases in feed costs and labor costs and all other costs. The reason why it has to be treated differently than other foods is that the production of milk and milk products and the price of milk and milk products are determined by marketing agreements within the different milksheds. Under the Price Control Act, the Price Administrator has interpreted that act to mean that he can set only a general price. So if he is compelled to set a general price, it might be an unfair price in Texas because it might be too low, and it might be unfair to the consumers in another area because it would be too high.

As I understand this provision, it allows the milk producers to get together under their marketing agreement acts and determine upon the price and apply that price in the different milksheds throughout the country. That is in substance what I understand it to be, but I place this statement in the RECORD to supplement the statement I have made.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman made a statement a moment ago that the banning of subsidies would not affect the income of the producer. If subsidies are banned and it is decided not to raise the maximum or ceiling price to the consumer, obviously it would adversely affect the producer.

Mr. WOLCOTT. Let us analyze that. We will say that as of a few months ago the support price of butter was 46 cents and the parity price of butter was 41 cents, and for a matter of a few weeks the price of butter to the retail consumer was 46 cents. The Government came along and said, "We are going to roll the price of butter back to parity, which is 41 cents, and the Treasury is going to pay the difference, or 5 cents." If the producer of butter had been receiving 25 cents a pound from that 46-cent butter, he is still receiving 25 cents, no more and no less, because whether the Government pays it out of the Treasury or whether the consumer pays it out of his pocket has no relationship whatever to the amount the producer of butter receives. It affects your pocketbook, as I have explained to the gentleman from Missouri, by taking from that pocketbook 5 cents which you would otherwise use to compete for unavailable consumer goods.

According to the agreement the gentleman from Texas [Mr. PATMAN] and I have in respect to the ratio between taxes and bonds, you will have to pay 15 cents into the Federal Treasury in the future to pay back the 5 cents you allegedly save today.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. May I ask the gentleman if he feels in his own mind that the other half of the dairy industry, that represented by the fluid milk, is properly protected by this legislation?

Mr. WOLCOTT. I may say that the legislation was sponsored by the dairy producers. I have been told that they have been in contact with all branches of the industry, and that this suggestion which is written into the Senate bill here is the culmination of their collective thought.

Mr. MURRAY of Wisconsin. If it covers the products of milk, I think the gentleman is right.

WHY DAIRY PRODUCTS REQUIRE SPECIAL LEGISLATIVE TREATMENT

Milk and its products require special treatment as distinguished from governmental policies affecting most other farm products.

This fact was recognized by the Food Administrator Herbert Clark Hoover in the First World War when he set up a series of regional milk price tribunals to determine adequate prices for milk under rapidly shifting war conditions.

It was recognized by the British Government when the English milk "scheme" was inaugurated a number of years ago under which all of the milk for whatever purpose in England was placed in a common pool.

It was recognized by Canadian provincial governments which established milk-price control authorities especially to meet the pressing problems created by the depression.

It was recognized by the Congress of the United States as early as 1933 in the passage of the first A. A. A. legislation. In that legislation common treatment was accorded the so-called five basic commodities (cotton, corn, wheat, tobacco, and rice), but special treatment was provided for milk and its products, and a special agency of government was set up to meet the particular problems of the interstate milksheds and to deal with national pricing problems of such commodities as butter, evaporated milk, dried milk, and cheese. This legislative authority, which Congress has clarified several times, is now expressed in the Agricultural Marketing Agreement Act of 1937 as amended.

Sixteen State legislatures have also provided special machinery for administering milk-price control.

The essential distinction between the Federal and State price legislation lies in the fact that the Federal authority only determines and maintains producer prices, whereas in most of the States the milk control agencies fix both producer prices and distributors' margins.

While much of this legislation was passed originally on an emergency basis, its administration has become so imbedded into the life of the communities that it is doubtful whether the milk industry will ever again be completely returned to private competition.

The reason why milk requires special treatment could readily be seen if one made a topographical map of milk routes feeding a group of urban markets. Because of transportation factors and urban needs, the pro-

ducers supplying each city market, together with its subordinate markets, are grouped naturally into what is called milksheds. These milksheds do not differ greatly in their nature from watersheds. Just as the water drains according to the contour of the land through creeks and rivers into the large water basins, so milk is gathered along country lanes and moves down the great highways and by rail to where it can be most economically consumed. These milksheds today are well defined throughout the Nation, and generation after generation of milk producers have customarily supplied the same markets and rarely change except for extraordinary conditions. In fact, there are points between adjacent milksheds where the milk flows in different directions just as water would from the divide of a mountain range.

These milksheds differ as to volume and cost of production and as to pricing policies. In one community milk may be quoted by the 100 pounds and in the other by the quart. In communities of high production costs, milk sells at a much higher price than in communities of lower costs. For example, historical price differentials have nearly always prevailed as between the high cost production of the Atlantic seaboard and the low cost production of the Middlewest. Likewise, the Intermountain Region, the Pacific coast and the southern States have their particular and peculiar milk market problems.

In consequence, there is no such thing as a national price for milk either at the producer or the consumer levels. There may be national competitive prices for evaporated milk but producers in different regions receive different prices. There are regional price differentials on the wholesale price of butter and butterfat. There are similar regional price differentials on American cheese. Production of milk also is unlike that of the other great agricultural commodities in that it is a twice a day job whereas no other farm production even approaches this rate except the poultry flocks.

Because of this regularity of production and the advanced work which has been done by many agricultural colleges, it is now a matter of fairly scientific accuracy to measure the changes in production costs in the various regions. This would not be possible if there was not a dependable regularity of production yields and production trends. In any region the dairymen can forecast the week in which production will begin to rise, when the peak will be crossed and the low level again be reached.

HOW EASTLAND-McCLELLAN AMENDMENT REVITALIZES PRICE LAWS

In the Agricultural Marketing Agreement Act of 1937 and in the Price Control Acts of 1941 and 1942 Congress provided for flexibility of price treatment for milk and its products (in the first especially and in the second generally). Had the administration of these two laws been allowed to function in the spirit intended, there would be little further reason for enacting the Eastland-McClellan amendment as a part of the Commodity Credit Corporation bill. But the President by Executive order of April 8, 1943, froze existing prices and paralyzed price administration in both the O. P. A. and in the W. F. A. The real reason then for inclusion of the Eastland-McClellan amendment is to break the "log jam" in the pricing of milk and its products and which is causing a steady decline in the total production of milk for all purposes. That decline is impeding the war effort. Meantime production costs have continued to rise.

With respect to milk and its products, the Eastland-McClellan amendment would revive the active administration of these two acts but would make some changes in the procedure necessary. Such changes include:

1. Four legislative standards to guide the administrative authorities are provided. These standards are so-phrased as to permit considerable leeway in the preparation of findings.

2. The public hearing method developed over the years is revived but the hearings are to be conducted jointly by W. F. A. and O. P. A.

3. The territorial scope of the hearings is expanded to cover regions in which both interstate and intrastate markets are located.

4. The producer referendum which in peacetime is an important feature of the Federal milk order system, set up under the Agricultural Marketing Agreement Act, is set aside during the life of the Price Control Act.

5. Maximum prices may not be below support prices.

6. Determination of the need of price changes must be made at least twice a year (under normal competitive conditions the price of milk to producers and to consumers historically changes more frequently than by 6-month periods in many communities. In almost every milkshed representatives of producer cooperatives and distributors have been accustomed to meet monthly to discuss changing conditions of production and changing market needs).

Administrative authorities are given 120 days from the time of the enactment of the bill to reestablish their hearing and price-adjustment machinery. In view of the fact that the country has already been divided by the War Food Administration into 24 representative regions for purposes of industrial rationing of the fluid-milk supply, the time limit of 120 days is deemed sufficient. The technique of the public-hearing method is well developed and very few additional employees will be necessary to swing flexible price administration back into action.

WHY THE LEGISLATION IS NEEDED NOW

Price adjustments on milk and milk products in lieu of subsidies are specifically provided for in this amendment for the following reasons:

1. Milk is perhaps the most widely produced of all farm commodities—normally being produced on more than 75 percent of all farms in the United States.

2. Of all major farm-commodity groups, prices of dairy products have risen least since the 5-year period immediately preceding the war.

3. The cost of producing milk has increased considerably more than have the prices of dairy products.

4. Milk production has increased much less on a percentage basis during the war period than other competing farm commodities, notwithstanding that it is a critical war commodity.

5. Since the middle of 1943 both milk and butter production have been declining at an accelerating rate as compared to 1 year earlier.

6. Dairy products are now bearing more than one-third of the entire food-subsidy burden (about \$441,000,000 annually) and their removal would be disastrous to future dairy production if substitute machinery, such as this amendment, is not provided.

The SPEAKER *pro tempore*. The time of the gentleman from Michigan has expired.

Mr. BROWN of Georgia. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. COCHRAN].

(Mr. COCHRAN asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. COCHRAN. Mr. Speaker, the frankness of the gentleman from Michigan [Mr. Wolcott] is appreciated. Of course, he could not have answered my question honestly other than to admit that the provisions of the bill, as agreed upon by the House and Senate conferees, maintains the producers' price, but on the other hand it increases the consumers' price. That has been my contention all along. The gentleman's view means that the housewives would increase their budget when the price of the necessities of life, which he named, goes up.

I believe that the producer is not only entitled to the cost of production but he is likewise entitled to a fair return on his labor. I have always contended that, but what happens to the people that I represent, the consumer? When you abolish the food subsidies you automatically increase the cost of living. What is the inevitable result? It will be a demand for an increase in wages. That statement cannot be honestly disputed.

There is one class of people, especially in the large cities, who have been practically overlooked insofar as increase in wages is concerned. That is the so-called white collar worker. Unorganized, he has not benefited, his salary envelope contains practically the same, and he has had trouble in trying to maintain a proper standard of living. Under the terms of this bill, as the gentleman from Michigan [Mr. Wolcott] admits, the cost of his meat, butter, milk, bread, and so forth goes up. In other words, the cost of food subsidies is transferred to the pockets of the consumers. Who can deny that statement? I say, Mr. Speaker, this is no time to disturb a program which has proved successful.

Time and again I have stated on this floor that I try to legislate from a national rather than a local standpoint. I think in casting my votes of all the people of the United States and not those residing in my community. That was my attitude when a few days ago I supported by voice and vote a bill appropriating nearly \$40,000,000 to import farm labor into this country. Not one cent of that money will be spent in my congressional district. However, when you take that money out of the general fund of the Treasury to be used to supply the farmers with much-needed labor, at least part of that money came from the pockets of my constituents in the form of taxes. The money used for food subsidy came from the pockets of all the taxpayers of the United States. That is freely admitted. I have heard the pleas of those who represent the dairy farmers. I have heard the pleas of those who represent the producers of beef, cattle, wheat, corn, and other necessities of life. I have listened to those pleas, but it seems that those who represent the farmer are unwilling to listen to the plea of those who represent the people who reside in the urban centers. The great farm organizations of this country favor subsidies for farm labor, favor parity prices, favor an increase in the price of milk and other farm products, and at the same time they flood us with resolu-

tions opposing food subsidies. The wholesaler and the retailer will be unable to absorb the increase in price that will result if food subsidies are discontinued. They will pass it down to the consumer.

I say, Mr. Speaker, that this is unfair and I cannot support this conference report. I hope that the President will veto the bill. I will vote to sustain the veto.

Under the permission granted me, Mr. Speaker, feeling that it is an excellent contribution on advising the people of this country what will happen if food subsidies are discontinued, I am placing in the RECORD an editorial appearing in the New York Post of February 15, 1944, reproduced in the Washington Post this morning at the expense of the International Latex Corporation of Dover, Del. This corporation feels it is rendering a public service in reproducing this editorial. So do I. The editorial follows:

The Senate has just kicked subsidies out of the food picture and opened the door to inflation. Unless its action is reversed, the American consumer can expect the price of the family meat and potatoes to start a fast uphill climb that will leave the family dollar away behind.

An argument that opponents of subsidies have been making lately is that subsidies don't save us anything since "we pay for them with higher taxes, anyway." We might as well pay higher prices directly to the grocer, the argument goes, as pay higher taxes to the Government to support subsidies. It all goes to the same place.

This argument is a fake from start to finish. There are two clear answers to it:

First, we don't pay nearly as much in subsidies as we would pay directly over the grocery counter. The fact is that a billion or a billion and a half dollars spent in subsidies saves eight to thirteen billions on the total food bill.

HERE'S HOW IT WORKS

How? Well, let's say that the dairyman finds that his feed costs have increased, that he must charge a cent more on a quart of milk to break even, or to make his usual profit. He raises his price to the jobber by that cent.

The jobber, in turn, does not increase his price by just 1 cent. When the milk leaves his hands, it has risen not by a cent a quart but by a cent and a half, or perhaps 2 cents.

When it gets to the groceryman, he'd be less than human if he did not announce that henceforth, due to the higher prices he has to pay, milk will now cost the consumer 3 cents more per quart. It is a law of inflation that an increase in price at the origin of the product always means a doubling or tripling of that increase to the final purchaser.

Under the food-subsidy program, the Government pays the dairyman that extra cent he requires in order to break even. But the price then stays the same to the jobber, to the groceryman, and to the consumer. The snowballing of prices is stopped. The price rise is quarantined at one level; the infection is localized.

That's only one argument for subsidies. Here's the second: While it is true that the \$1,000,000,000 used for subsidies may be tax money, not all of it is the tax money of the average consumer. Only a small part of it may, in fact, come from his specific taxes.

The rest may be excess profits collected by the Government from war-profits-swollen firms. The Government thus redistributes these profits, takes them from those who have made too much and uses them to keep down the food prices of the millions who have made too little.

SUBSIDIES ARE GAINING FRIENDS

When the Senate killed subsidies, it counted on the rapid march of the war to dull the keen interest of a few months ago in the subsidy debate. But along with soldier voting, subsidies have been the great issue of the year.

A measure of the rightness of the people's fight is that even the New York Times has shifted its position to come out carefully for a few subsidies. Those two stalwarts of stalwart Republicans, Senators VANDENBERG and TAIT, have also joined with the prosubsidy forces.

These men are not innovators. They simply acknowledge, as most Republicans and fewer Democrats (mostly Southern) will not, that subsidies are an established part of the wartime food picture. They know that in the past year, 25 food subsidies have been operating, holding down prices all the way from tomatoes to milk.

They know that there is nothing new about subsidies; that, indeed, there is something new and dangerous about a wartime economy that does not subsidize its food prices.

We call upon all Americans to join together to save a working part of their economy. Their very bread and butter is at stake here.

Let your Senator and your Congressman know how you stand. If you don't fight hard and at once, you and your children, after June 30, 1944, will be eating less and paying more.

Mr. BROWN of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. FORD. Mr. Speaker, I am opposed to this conference report. I was opposed to the bill when it was originally presented to the Committee on Banking and Currency. I opposed the bill when it came to the floor.

As a conferee, I refused to sign the report or the statement, for the reason that the amendments offered and finally accepted from the other body exceeded the provisions of the House bill.

I am opposed to the bill in toto. I shall vote against the conference report. I shall also vote to sustain a veto if the bill is vetoed.

My reasons are simple but fundamental. I am convinced that this bill if enacted would open wide the gates to a torrent of inflation that would disrupt the war effort and defeat all efforts to stabilize prices to consumers, while guaranteeing to producers not only a floor or a support price but permitting price increases in all essential food products. It would cost the consumers hundreds of millions if not billions of dollars.

The proponents of this measure say that subsidies to consumers is a new and dangerous philosophy.

Just how much more dangerous is it than subsidizing producers? If we follow that to its logical conclusion we should say to every manufacturer that if his product costs too much, we will enable him to sell at less and pay him the difference.

The subsidies to consumers is a war measure to black inflation. The subsidies to farm producers is and has been for some years a permanent subsidy.

So that opposition to consumers subsidies is not a philosophy at all. It is merely a hate-Roosevelt phobia. The

farm bloc and its supporters must shoulder the responsibility if inflation engulfs the Nation.

Mr. BROWN of Georgia. Mr. Speaker, I yield such time as he may desire to the gentleman from Oklahoma [Mr. STEWART].

(Mr. STEWART asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. STEWART. Mr. Speaker, misadministration by many of the Federal war agencies has caused much confusion and misunderstanding in the minds of our citizens on the home front.

An understanding and a workable solution is possible. We suggest the O. P. A., W. P. B., and U. S. D. A. summon to Washington one or more representative citizens from each congressional district in the Nation and get a clear picture of how impracticable many of their directives and regulations are in operation.

Possibly members of the local rationing boards serving their towns and counties without pay, and farmers and cattlemen directly from the grass roots could offer more light on the subject than could any other groups, for the rationing board members hear the story of every individual in their respective boundaries, and the farmers and cattlemen know first handed.

The foremost question in the minds of the average citizen from the rural regions—which include all of the Third District—is how Washington continues to grant the demands for higher wages of strikers in war industries and holds fast upon their ceiling prices on farm products and livestock. When a wage increase is granted, it is elementary that the cost of farm products should increase to equalize the purchasing price of the dollar, but this has not happened. To the contrary, millions have been paid for subsidies in the industrial sections of the country, which is simply a hidden wage increase for many of those who have been receiving higher wages by striking. A small amount has been paid to the producer, which is very negligible and not a drop in the bucket by comparison with the amount received by organized labor as a wage increase.

Remember this. In the words of organized labor, every person who is not a dues-paying member of a union is just a "scab." Remember further that we so-called scabs outnumber the members of these present-day privileged organizations by eight to one.

The cost of transportation and hotel bills of 1,000 citizens coming to Washington would be an act of economy and not an additional expense.

If the question of subsidies were put to a popular vote, the margin would also register eight to one against subsidies.

Mr. BROWN of Georgia. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, I want to draw a little parallel at the outset in calling the attention of the House to a very interesting cartoon by Mr. Berryman in today's Star. Two United States bulletins are on a board and a Yankee

doughboy is looking at them. The top bulletin starts out with a statement by Vice President WALLACE: "Vice President WALLACE says American Fascists are trying to gain control of delegates."

Just below the bulletin board has on it: "Alf Landon declares fascism is here in America and its name is the New Deal."

This is what the doughboy says: "If these American leaders are telling the truth, why are we fighting over here?"

The scene is somewhere out at the front. That has a very interesting connection with the matter which is drawing to a close here now; the question involved is whether or not we are to be faced in this country by the action of the Congress with the financing of continued confusion, confusion in excess of that which troubles the doughboy. We have seen enough concerning both confusion and the failure on the part of certain agencies whose edicts, regulations, and requested directives without the sanction of this body are extraconstitutionally taking away from the American people their right to function and produce as they know how, their right to function and produce under a system which that flag stands for. This is not a partisan question, gentlemen. I stand here as a Democrat. I want to read to you a little matter that comes from another man who was a Democrat, the Democrats elected him a long time ago as President of the United States. His name is Grover Cleveland. He had this to say on the occasion of the Centennial of the Constitution of the United States:

As we look down this past century to the origin of our Constitution, as we contemplate its trials and its triumphs, as we realize how completely the principles upon which it is based have met every national peril and every national need, how devoutly should we confess with Franklin, "God governs in the affairs of men"; and how solemn should be the reflection that to our hands is committed this ark of the people's covenant, and that ours is the duty to shield it from impious hands. We receive it sealed with the tests of a century. It has been found sufficient in the past, and in the future years it will be found sufficient if the American people are true to their sacred trust.

Another centennial day will come and millions yet unborn will inquire concerning our stewardship and the safety of their Constitution. God grant that they may find it unimpaired; and as we rejoice in the patriotism and devotion of those who follow us rejoice in our fidelity and in our jealous love for constitutional liberty.

The difference in cost to an American consumer between the continuity of a system of government referred to in that famous Centennial, of between 5 and 15 cents is too cheap a price for such a conversion. I am for this conference report. It is the very best that could have been wrought, I think, in the face of a tremendous and inconceivable confusion which has surrounded this measure and the diabolic and misdirected efforts by many well-intentioned men to confuse this issue and bring the American people to their knees as degenerate dependents. Some time ago in talking to a Member of this body, I was reminded of the words of the present President of the United States in which he said, "It is better that

we should die on our feet than live forever on our knees." I agree with him. When this message confronts him as to whether or not he shall veto it, in case he may have forgotten that he said that, I call his attention to it here on the floor of the House as one who shares with him and with all Americans the obligations and duties which we are sworn to defend and carry on.

In 1936 the President of the United States said this:

In 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people.

There are many Members of this body who heard this statement. I hope he will remember that. When you go down through the long list of evidences in the American forum of reason, and the ideologies back of them, which make their appearance without limitation, a clear and definite conflict is shown to exist between our form of Government and a proposal that the American people are unwilling to pay for their own meals today and are willing to charge them to future generations. The immediate past record of the operations of the O. P. A. and the known confusion which inevitably will come out of the administration, under directives without the sanction or knowledge of the representatives of the people, of a wide- and far-flung subsidy program, which this bill prevents, is sufficient within itself to warrant your support. I hope the President will react in accordance with what I believe all Americans should do in a like emergency.

The SPEAKER pro tempore. The time of the gentleman has expired.

[Mr. WRIGHT addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Michigan [Mr. CRAWFORD] 10 minutes.

THE ROLL-BACK-SUBSIDY FALLACY

Mr. CRAWFORD. Mr. Speaker, those who advocate the payment of roll-back subsidies argue three principal propositions. One is that roll-back subsidies will prevent inflation. The second is that roll-back subsidies will substantially take those who are in the economic squeeze out of their unfavorable situation. The third is that roll-back subsidies will hold down the cost of war by preventing increases in wages and a consequent rise in the prices of goods purchased by the Government.

I emphatically deny that roll-back subsidies will serve either of those purposes. Now let us look at the situation for just a moment. Roll-back subsidies will not prevent inflation. I submit as evidence in support of that statement a very scholarly address made by the Chairman of the Board of Governors of the Federal Reserve System at the Tax Institute Symposium in New York just a few days ago, February 8, where, I understand, he appeared at the direct request of the President of the United States to deliver this address to show that

the inflationary forces are moving toward the point where the situation will get out of our control and that in order to prevent the inflationary destruction which is potentially ahead of us, certain steps must be taken with respect to increasing the tax levies in order to prevent the inflationary forces from doing their dirty work. Quoting directly from Chairman Eccles we find these words:

I shall not undertake to restate my views on war finance, but in discussing the problems of inflation control after the war, we must realize that the chances for success at that time will be vitally affected by fiscal policies during the war. Our tax effort so far has been entirely inadequate in relationship to our huge wartime expenditures and it has lagged far behind that of our allies.

Further quoting from the statement of Mr. Eccles we find:

Our home-front fight against inflation will have to continue for a considerable time after the war ends. The eventual answer to the inflation problem must be found in the production of goods in quantities sufficient to meet all the demand. * * * Another difficulty which will confront us in the post-war period will arise from the huge amount of purchasing power held by the public. This will largely be the result of our heavy reliance upon borrowing in the financing of our war expenditures, and, in particular, upon borrowing from the banks.

In the 2 years from January 1, 1942, to January 1, 1944, the public debt increased by \$105,000,000,000, and of this increase the commercial banks and the Federal Reserve banks have absorbed \$48,000,000,000. Of the total of \$169,000,000,000 of Government debt outstanding at the end of 1943, \$72,000,000,000 were held by the commercial banks and the Federal Reserve. This extensive borrowing from the banks resulted in a corresponding increase in our money supply. Including currency as well as demand deposits, the total money supply held by the public at the close of the year amounted to over \$80,000,000,000, or nearly twice as much as 2 years ago. To this must be added over \$30,000,000,000 of time deposits and the many billions of United States Government securities held by the public. This huge volume of liquid funds is the basis for the inflationary problem in the transition period.

Nowhere in that address did the chairman contend that roll-back subsidies would alleviate the situation which we now face. He preached the sound theory of the necessity for the production of goods, and what is likely to happen when the people have at their command as free economic agents a great excess of buying power as related to a scarcity of goods.

In support of my statement I also refer to the address of Mr. Bell, Under Secretary of the Treasury, December 16, 1943, before the Worcester Economic Club, Worcester, Mass., in which he said, among other things:

What then, it may be asked, is the role of war borrowing? The answer must be that war borrowing is a method of postponing, not the cost itself, but the final allocation of the total burden of the war to some future date, when the costs now paid for through the sale of bonds are finally assessed in the form of taxes—at which time it is inevitable that a much larger portion of them will be paid by the persons now in the armed forces than if they were assessed today. When this fact is seen in its stark reality, it is clear that the money cost of the war should be met as far as possible by taxes, and so

be paid for once and for all by today's civilians at the same time that the men in the service are paying their much higher price in human cost on the fighting fronts.

Mr. Speaker, here the Under Secretary of the Treasury speaks my language. Why in the name of common sense are Members now advocating that we sell more bonds, increase the debt, make heavier the tax load on service men and women when they return from the war to pay—for what—for a portion of my grocery bill which I should pay myself, or to contribute to the payment of the grocery bill of every Member of this House, and through the hidden machinery of the "roll-back" subsidy program as it ties directly into the ration food coupons we have in our homes or in our pockets? Shame on us for advocating such a rotten scheme. Further quoting Mr. Bell, he says:

At the present time the Federal Government is purchasing about one-half of the total volume of goods and services being produced, while the remaining 50 percent is being purchased for private use. Federal taxes, however, are bringing in only about 20 percent of the gross income generated by production, leaving about 80 percent in private hands. There is, thus, a discrepancy equivalent to about 30 percent of the value of total output which makes up the Federal deficit on the one hand and the corresponding necessary private savings on the other. To the extent that total borrowing exceeds the aggregate amount of savings consciously and intentionally undertaken, we are placing liquid assets in the hands of persons who may use them to put added pressure on price ceilings.

And in the face of these hard facts, Mr. Speaker; men stand on this floor and advocate further borrowings, greater deficits, and more debt in order to assist in paying the grocery bills of those who have excess buying power at this very hour.

And Mr. Paul of the Treasury Department, in his address before the Indiana State Bar Association, Claypool Hotel, Indianapolis, January 7, 1944, last, gave us some keen thoughts on this question of inflation, taxation, and debt. Mr. Paul, General Counsel of the Treasury, said:

I want to say unequivocally that the revenue bill of 1943, as it is about to be debated on the Senate floor, is a tragic failure. It fails to meet the three principal tests of a wartime revenue measure. First, it does not raise enough revenue. Second, it fails as an instrument to reduce inflationary pressure. Third, it denies to more than 50,000,000 taxpayers the simplification of tax law to which they are entitled. We may as well face the facts at the outset. With war expenditures of \$92,000,000,000 in the current (1944) fiscal year, a revenue yield from existing taxes of \$41,000,000,000, we are running a deficit of \$57,000,000,000. With all this spending the American people have saved more than ever before. They have accumulated in the last 3½ years liquid savings of more than \$55,000,000,000, of which fully half is in increased currency and bank accounts. Is it not clear that they could afford to pay \$10,500,000,000 of additional taxes? I, for one, believe they would have been willing, if not glad, to do so. One might understand a refusal to be taxed, if it meant more purchasing power in the pockets and bank accounts of taxpayers. But the grim fact is that as a people we gain nothing by refusing to pay taxes. On the contrary, we

stand to lose a great deal. Inflation very well may take what we do not pay to the tax collector.

I need not go to any higher authorities than those three gentlemen, because they speak for the administration. But they do not advocate roll-back food subsidies to prevent inflation. Their views are too sound to follow such a fallacy. They speak for the President of the United States, who I understand may perhaps veto this bill if it is approved by the two Houses. We could give plenty of other authorities, but why go any further?

When you step over into the field of those who advocate roll-back subsidies, oh, they advocate roll-back subsidies to prevent inflation. The O. P. A., to prevent inflation; the War Food Administration, to prevent inflation; the Economic Stabilizer, to prevent inflation. And why do these planners all advocate the roll-back subsidy scheme? Oh, if we only had the answer to that question. Herein lies the plan to further control, to further govern our people by permissive orders; to further dictate and control every move we make in the field of economics. This group of planners all know, just as well as anybody, that roll-back subsidies will not be a great factor in preventing inflation.

Now, will roll-back subsidies take the unfortunate people out of the economic squeeze? They will not. The maximum you can possibly hope to get out of this is a benefit of 2¾ cents a day per capita of 12 cents a day for an average family, or let us say, the price of a glass of beer. Does any Member of this House believe that the sensible families of this country will have their economic appetite satiated in the form of a mess of pottage amounting to 12 cents per day for a family? If you were the father of a group of children, the head of a home, would you let your birthright be purchased with a roll-back subsidy that amounted per day to no more than a glass of beer? Would you, therefore, not ask for an increase in wages or salaries, if you had to continue in the economic squeeze after roll-back subsidies were applied? The people in our factories, on our farms, in our white-collar jobs have got too much sense to be purchased by that kind of a proposition. They just will not go along with it.

Another thing: The coupon book which you carry in your pocket or which your wife carries, these little brown coupons entitle you to your cut on whatever appropriation is made by this Congress for the purpose of paying roll-back subsidies. The prayer is prayed in the name of the fellow who is in the economic squeeze, but the man who is not in the economic squeeze gets his cut of the appropriations, because of the food right that the coupon gives to him. There is the fallacy of this proposition of taking the poor fellow out of the economic squeeze. If you want to pray a prayer in his name, do so, but in the name of God and of humanity and justice see that he gets the benefit of the appropriation after it is made, instead of spreading it to we people who do not need it and who protest against it.

One other point: Will the roll-back subsidies prevent the cost of the war advancing, and an increase in the debt? Of course, they will not. I contend that the charts which have been presented to us on this floor and which will probably be presented again, will not stand a scientific and economic analysis. They are prepared to mislead those who look upon them. I have not been misled. Those charts will not hold water. They will not stand on their own feet. I do not have time to argue that. We cannot bring them in here, and we cannot fight that out, but I did not want that argument to be left unanswered.

Now, if these prices or costs of war are to continue, they will continue even after you pass roll-back subsidies and put them into operation. There is no question about that.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. AUGUST H. ANDRESEN. I have found that the advocates of roll-backs and consumers' subsidies are not interested in securing the maximum production of essential foods.

Mr. CRAWFORD. I think that is correct. See what Chairman Eccles says about that. This roll-back subsidy proposition and this program under which we are operating does not conform to that of Canada and England, as has been argued on the floor awhile ago. Get your facts and put them down and square them up and you will find that my statement will stand by the evidence that can be put before you.

The Government did increase milk prices in Chicago, and they have enough milk. The increased production brought more milk—what they wanted. The question which the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] raised is, "Do you want production of food-stuffs?" If so, you pay the price and get the production. If you do not want that production and will be satisfied to go with a hungry gut, then go without food, post your beautiful low prices, and let the population cry for food—but along with this, be prepared for revolution.

Mr. REED of New York. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. REED of New York. There should be a distinction made between this country and a country that is getting lend-lease from us.

Mr. CRAWFORD. Surely.

Mr. AUGUST H. ANDRESEN. Is it not a further fact that if we do get an abundance in the production of these essential foods, the abundance itself will hold down the price to the consumers?

Mr. CRAWFORD. That is either true or else our economy has been false since 1776. We can take our choice on that proposition.

Now the gentleman from Missouri [Mr. COCHRAN] says we want to hold these prices down. Well, cut your prices and put them on the walls of the grocery stores in gold letters—beautiful low prices, and let the people walk in and live on the low prices, with no goods to buy. You have got no moral right to ask the farmers of this country to produce food-

stuffs below the cost of production, and in the same breath give the manufacturer whatever price is necessary to get implements of war produced, on the basis of cost plus a profit. The farming people of this country do not propose to be subjected to that kind of straitjacket, and they will take care of this situation in due course, make no mistake about that.

I shall support the conference report as has been submitted, with pleasure. If the President vetoes the bill I shall vote to override his veto with a great deal more pleasure.

I agree with the gentleman who submitted the proposition that we do move toward a Fascist state as the Government more and more takes over control of the forces of production and distribution, those forces which deal with such matters, and the flow of capital, and all administered under the policies and personnel of a single political party. If that is not fascism, what is it? We move away from the private enterprise system as we move more and more to Government control, and the farmers of this country fundamentally object to this kind of operation being imposed upon them.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. BROWN of Georgia. Mr. Speaker, I yield the balance of the time to the gentleman from Texas [Mr. PATMAN].

The SPEAKER pro tempore. The gentleman is recognized for 16 minutes.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. I have not yielded myself any time, but I wish to go on record as supporting the conference report.

PRICE AND STABILIZATION PROGRAM HAS SAVED TAXPAYERS \$65,000,000,000 ALREADY ON WAR COST ALONE

Mr. PATMAN. Mr. Speaker, I appreciate the generosity of the gentleman from Georgia [Mr. BROWN] in yielding his time to me. Obviously, I cannot yield to everyone in the short length of time I have. Practically all the speeches that have been made, have been made in opposition to subsidies and I hope and trust the Members will not ask me to yield until I have finished my statement.

I am not going to talk about 5 cents on a pound of butter or 3 cents on something else. I am going to talk about billions of dollars in savings in our national debt, by reason of our stabilization and price-control program. We have some facts and figures to back up what we say.

Briefly, this chart [indicating] has been carefully prepared and can be relied upon. For the last 9 months the stabilization line has been held. There has been no increase in the cost of the war. There has been no increase in the cost of living. During the last war we had no price-control program, and the price of steel went from 187 to 695 percent above what it was before the war. During this war it has not gone up 1 penny. Neither has the price of tin, nor cement, nor other basic commodi-

ties that largely enter into the cost of this war.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I do not yield. I stated that I hoped Members would not ask me to yield until I finished my statement.

Now, we have a similar period of time that we can compare the period of time we have recently gone through with. That is an example that is on all fours. During the first 51 months of World War No. 1, when we had no price control or stabilization acts, we can compare those prices with prices during the 51 months of this war. If we do that, and if we had paid the same prices as were paid during the same period of time in the First World War, our national debt would be \$65,000,000,000 more today than it is.

FIVE HUNDRED DOLLARS SAVING FOR EVERY MAN, WOMAN AND CHILD

That is a saving of \$500 for every man, woman, and child in America.

FIFTY MILLION DOLLARS SAVED EVERY 24 HOURS

It represents a saving of \$50,000,000 every day of 24 hours on war cost alone. So we are not talking about 5 cents on butter, or 3 cents on something else. We are talking about stabilization and price-control program that is saving the American people, the taxpayers on war cost alone, not counting the cost of saving in their living expenses, but on war cost alone, \$50,000,000 every day around the clock.

PROGRAM WORTH SAVING

Is that kind of stabilization program worth working for? Of course it is. You can always pick out little insignificant things and criticize any program. It is easy to criticize. But this program has worked. It has absolutely worked, and we have the proof here to demonstrate that it has worked.

Maybe your plan is a better plan. Maybe it is. I do not know. Maybe I have a plan that is better. But I am not willing to try it. I am not willing to destroy a program that has absolutely worked and is now saving us \$50,000,000 a day in war cost alone. I am not willing to scuttle that kind of a program and try out some plan of some other person, not even my own plan.

Let me state that in this program it does not make much difference how much money is put up here [indicating] above this price-control dam whether it is used to pay subsidies or anything else. So long as that dam holds we are saved and we are not going to have inflation.

SUBSIDIES IN PRICE-CONTROL DAM

During this war we have more money in circulation than we ever had before in history. When the war started we had six and one-half billion dollars, today we have twenty billions in actual money in circulation in the pockets and tills of the people of this country compared with three and one-half billions at the beginning of the First World War, and only six billions at the end of the war. We have more inflationary pressures today than ever existed in the history of this country against this price-control dam. There is one main cornerstone in this

price-control dam and that is subsidies. If you tear that stone out you run the risk of destroying the program that is saving the American taxpayers \$50,000,000 every 24 hours in this war program alone. So I plead with you not to destroy this program just because you do not like some little part of it. It is too substantial and too effective for us to run any kind of risk like that.

BILL TO INCREASE COST OF LIVING AND CAUSE INFLATION

I am going to vote against the conference report. When the President vetoes the bill, and certainly he will have to veto it to be consistent for he knows that this will jeopardize the whole stabilization and price-control program, he knows this will greatly increase the cost of living, he knows it will cause inflation and he will certainly have to veto this bill, and when he does I expect to vote to sustain the President's veto.

CONGRESS HAS NOT COOPERATED IN FIGHT AGAINST INFLATION

I think it is the duty of this Congress to support the administration in any program to keep down inflation; but this Congress has not cooperated—this Congress has been an inflationary Congress. We have too many votes against us to prove otherwise. It is an inflationary Congress. The President had a program that Congress helped to give him and then Congress takes away from him the means, the vehicles, and the weapons with which to stop the inflation that we have asked him to arrest. Inflation is too serious.

SUBSIDIES AS PRINCIPLE NOT INVOLVED

Do not get it in your minds that this bill prevents subsidies; it does not. The question of subsidies as a principle is not involved in this bill. It is just like this Congress saying that we want to pass a law to make it a penitentiary offense to steal in the District of Columbia. The House would take up the bill for consideration and pass a bill, saying, in substance, that it is a violation of law to steal and amend it so, as it states, except you can steal automobiles, motorcycles, and bicycles; that is all right. Then we send it over to the Senate and the Senate says that it is all right, that the House passed good amendments but we think it should be extended, that it is all right to steal motorcycles, automobiles, and bicycles but there should be some amendments to exempt people for stealing horses, cows, and hogs. That is exactly what has happened in this bill.

We had a bill under consideration here that was supposed to prevent subsidies but the House went ahead and enumerated—it will aggregate about 50 things if you analyze all that it includes—it includes 50 things here on which roll-back subsidies or any other kind of subsidies are all right. We are against subsidies but we are willing to accept these 50 things. Then we sent the bill over to the Senate and the Senate said: "Well, the House accepted these things; all right, we want to add about 50 more." And the Senate did. So the question of subsidies as a matter of principle, Mr. Speaker, is not involved in this bill. It recognizes and condones subsidies all the

way through. It is just a matter, I think, of some people wanting to get back at the Commander in Chief or the President of the United States on a few things they are opposed to. Let them do it, but let them do it in a way that will not jeopardize the whole stabilization and price-control program. We have too much at stake. We are saving a billion and a quarter dollars a month, we are saving \$50,000,000 a day compared with another definite similar period in our history which we all remember. That involves too much for us to run any risk of destroying because there are certain minor matters in the program that we do not like.

DO NOT RUIN COUNTRY TO GET BACK AT O. P. A.

There are things about O. P. A. that I do not like, but I am not willing to run any risk of destroying this program in order to get back at O. P. A. There are lots of annoying and irritating things about O. P. A. Maybe a lot of people do not receive enough in rents, rents are too low; maybe prices in some cases are too low; maybe their wages are too low; but I say to you in all seriousness that they are better off and our country is better off by receiving dollars although an insufficient number of dollars, but dollars of a kind that will buy something that is substantial and worth what things are worth today rather than to receive twice as much in dollars which will buy only one-quarter as much.

INFLATION NO. 2 PROBLEM

And may I warn you that the most serious problem that faces our country on the domestic front today is that of inflation. We can destroy our country from within while our sons are winning this war on the 55 battlefronts of the world fighting the enemy. We have a chance here to help hold the line, we have a chance to help prevent inflation, we have a chance to save this country on the domestic front, and I hope this Congress cooperates with the President even though it requires an about face, a turning about of views in order not to run any risk. Remember the \$50,000,000 per day saving now just on war cost alone.

INFLATION CAN STOP PRODUCTION

Inflation can break down our domestic front, it can stop work, it can stop production. Suppose we have a race between prices on one side and wages on the other; and that is the kind of race you will have if you break this line. Wages will rise, prices will rise, one trying to outrun the other. It will not be long until the money the wage earners receive will purchase so few goods and necessities of life that the wage earners may be inclined even not to want to work for that kind of money. Then we would be reduced to barter. Do you believe a country like ours with one-hundred-and-thirty-some-odd million people can survive on a barter basis? Of course not. But if our money becomes worthless we are likely to stop production in this country because our workers will not work for that kind of money, so we have a serious decision to make and there is no more important decision to make than right here on No. 2 problem confronting

this country. No. 1 problem is that of winning the war on the battlefields; No. 2 is that of preventing inflation here at home. So, I beg you to consider this problem not from a partisan political standpoint but from the standpoint of our country, realizing that sometimes we have to take some things we do not like. I do not say I approve of everything in this stabilization price control program; I do not by any means, but I am willing to take a lot of things I do not like in order to keep from taking a lot of things that are much worse than what I am having to take. I know of nothing that would be more serious, more injurious, and more detrimental to the war effort, to the boys on the battlefield, to their dependents here at home, and to the civilian population than for us to make the awful mistake of breaking this line and causing inflation to engulf us here in America.

The SPEAKER. The time of the gentleman from Texas has expired; all time has expired.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their own remarks on this bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 151, noes 74.

Mrs. NORTON and Mr. COCHRAN demanded the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 249, nays 118, not voting 61, as follows:

[Roll No. 31]

YEAS—249

Abernethy	Cannon, Mo.	Engle, Calif.
Allen, Ill.	Carlson, Kans.	Fellows
Andersen	Carrier	Fisher
H. Carl	Carson, Ohio	Fulbright
Anderson, Calif.	Case	Fuller
Andresen	Chenoweth	Gallagher
August H.	Chiperfield	Gathings
Andrews	Church	Gearhart
Arends	Clark	Gibson
Arnold	Clason	Gilchrist
Auchincloss	Clevenger	Gillette
Baldwin, Md.	Cole, Mo.	Gillis
Barden	Cole, N. Y.	Goodwin
Barrett	Colmer	Gore
Bates, Mass.	Compton	Gossett
Beall	Cooley	Graham
Beckworth	Cooper	Grant, Ala.
Bender	Costello	Grant, Ind.
Bennett, Mich.	Courtney	Gregory
Bennett, Mo.	Cox	Griffiths
Bishop	Cravens	Gwynne
Blackney	Crawford	Hagen
Bolton	Cunningham	Hale
Bonner	Curtis	Hall
Boren	Day	Edwin Arthur
Boykin	Dies	Hall
Bradley, Mich.	Disney	Leonard W.
Brehm	Dondro	Hancock
Brown, Ga.	Drewry	Harness, Ind.
Brown, Ohio	Durham	Harris, Ark.
Brumbaugh	Dworschak	Harris, Va.
Bryson	Eaton	Heidinger
Buffett	Elliot	Hendricks
Burgin	Ellis	Hess
Busbey	Ellsworth	Hill
Butler	Elmer	Hoeven
Camp	Engel, Mich.	Hoffman

Holmes, Mass.	Martin, Iowa	Short
Holmes, Wash.	Martin, Mass.	Sikes
Hope	Mason	Simpson, Ill.
Horan	May	Simpson, Pa.
Howell	Marrow	Slaughter
Jarman	Michener	Smith, Maine
Jeffrey	Miller, Conn.	Smith, Ohio
Jenkins	Miller, Mo.	Smith, Wis.
Jennings	Miller, Nebr.	Sparkman
Jensen	Miller, Pa.	Springer
Johnson	Mills	Stanley
Anton J.	Monkiewicz	Starnes, Ala.
Johnson	Morrison, N. C.	Stearns, N. H.
Calvin D.	Mott	Stefan
Johnson, Ind.	Mundt	Stevenson
Johnson	Murray, Tenn.	Stewart
J. Leroy	Murray, Wis.	Stockman
Johnson	Norman	Sumner, Ill.
Luther A.	Norrell	Sumners, Tex.
Johnson, Okla.	O'Brien, N. Y.	Sundstrom
Johnson, Ward	O'Hara	Taber
Jones	Pace	Talbot
Jonkman	Peterson, Ga.	Talle
Kean	Phillips	Tarver
Keefe	Pittenger	Thomas, N. J.
Kerr	Ploeser	Thomason
Kilburn	Plumley	Tibbott
Kilday	Poage	Treadway
Kinzer	Pratt, Joseph M.	Troutman
Kleberg	Ramey	Vincent, Ky.
Kunkel	Rankin	Vorys, Ohio
Lambertson	Reece, Tenn.	Vursell
Lanham	Reed, N. Y.	Wadsworth
Lea	Rees, Kans.	Ward
LeCompte	Rivers	Weichel, Ohio
LeFevre	Rizley	West
Lemke	Robertson	Whitten
Lewis	Rockwell	Whittington
Luce	Rodgers, Pa.	Wickersham
McConnell	Rogers, Mass.	Wigglesworth
McCord	Rohrbough	Willey
McGehee	Rolph	Wilson
McGregor	Rowe	Winstead
McKenzie	Sauthoff	Wolcott
McLean	Schiffler	Wolfenden, Pa.
McWilliams	Schwabe	Woodruff, Mich.
Maas	Scott	Woodrum, Va.
Mahon	Scrivner	Worley
Mansfield, Tex.	Shafer	

NAYS—118

Allen, La.	Granger	O'Connor
Anderson	Green	O'Konski
N. Mex.	Harless, Ariz.	O'Neal
Angell	Hart	O'Toole
Baldwin, N. Y.	Hays	Outland
Barry	Hebert	Patman
Bates, Ky.	Heffernan	Patton
Bland	Herter	Peterson, Fla.
Bradley, Pa.	Hinshaw	Pfeifer
Brooks	Holifield	Poulson
Buckley	Hull	Powers
Bulwinkle	Izac	Priest
Burchill, N. Y.	Jackson	Rabaut
Burdick	Johnson	Ramspeck
Byrne	Lyndon B.	Randolph
Canfield	Judd	Robinson, Utah
Cannon, Fla.	Kefauver	Sabath
Capozzoli	Kelley	Sadowski
Carter	Kennedy	Sasscer
Celler	King	Satterfield
Chapman	Klein	Scanlon
Cochran	LaFollette	Sheppard
Coffee	Lane	Snyder
Crosser	Larcade	Somers, N. Y.
D'Alesandro	Ludlow	Spence
Davis	McCormack	Sullivan
Delaney	McMurray	Thomas, Tex.
Dickstein	Madden	Tolan
Dillweg	Magnuson	Towe
Eberharter	Maloney	Voorhis, Calif.
Ellison, Md.	Mansfield	Walter
Fay	Mont.	Wasielewski
Feighan	Marcantonio	Weaver
Fernandez	Merritt	Weiss
Fitzpatrick	Monroney	Welch
Fogarty	Mruk	Wene
Folger	Murdoch	White
Forand	Murphy	Wolverton, N. J.
Ford	Myers	Wright
Furlong	Norton	
Gale	O'Brien, Mich.	

NOT VOTING—61

Bell	Douglas	Gorski
Bloom	Elston, Ohio	Gross
Burch, Va.	Fenton	Halleck
Cullen	Fish	Hare
Curley	Flannagan	Hartley
Dawson	Fulmer	Hobbs
Dewey	Gamble	Hoch
Dingell	Gavin	Kearney
Dirksen	Gerlach	Kee
Domengeaux	Gifford	Keogh
Doughton	Gordon	Kirwan

Knutson	O'Leary	Russell
Landis	Philbin	Sheridan
Lesinski	Pracht,	Smith, Va.
Lynch	C. Frederick	Smith, W. Va.
McCowen	Price	Taylor
McMillan	Reed, Ill.	Vinson, Ga.
Manasco	Richards	Whelchel, Ga.
Morrison, La.	Robson, Ky.	Winter
Newsome	Rogers, Calif.	Zimmerman
O'Brien, Ill.	Rowan	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Douglas for, with Mr. Keogh against.
Mr. Fish for, with Mr. Philbin against.
Mr. Elston of Ohio for, with Mr. Lynch against.
Mr. Gross for, with Mr. Price against.
Mr. Fenton for, with Mr. O'Leary against.
Mr. Halleck for, with Mr. Cullen against.
Mr. Vinson of Georgia for, with Mr. Hartley against.
Mr. C. Frederick Pracht for, with Mr. Hoch against.

Mr. Hobbs for, with Mr. Morrison of Louisiana against.

Mr. Gavin for, with Mr. Sheridan against.
Mr. Robson of Kentucky for, with Mr. Dingell against.

Mr. McCowen for, with Mr. Bloom against.

Until further notice:

Mr. Bell with Mr. Dewey.
Mr. Manasco with Mr. Reed of Illinois.
Mr. Burch of Virginia with Mr. Dirksen.
Mr. Kee with Mr. Kearney.
Mr. Curley with Mr. Landis.
Mr. Domengeaux with Mr. Gerlach.
Mr. Flannagan with Mr. Gamble.
Mr. Doughton with Mr. Taylor.
Mr. Fulmer with Mr. Winter.
Mr. Gordon with Mr. Gifford.
Mr. Newsome with Mr. Knutson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HANDBOOK FOR SERVICE MEN AND WOMEN

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BULWINKLE. Mr. Speaker, I want to call the attention of the Members of the House to the handbook which the gentleman from Texas [Mr. PATMAN] has prepared for the service men and service women. It will be carried up to date with the mustering-out-pay bill in it. If any of the Members want it, they can get it for \$17.50 a thousand by notifying the Joint Committee on Printing or the Public Printer at once. If it is not ordered at this time in this printing, they will cost 10 cents each.

GRANTING ADDITIONAL POWERS TO THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 2644, to grant additional powers to the Commissioners of the District of Columbia, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from West Virginia explain the bill?

Mr. RANDOLPH. The day before yesterday, when the House considered the District legislation, this measure was withdrawn at the request of the distinguished Member from Nebraska [Mr. STEFAN], a member of the Subcommittee on Appropriations for the District of Columbia. He felt that the provisions of the bill might infringe on the work of that committee. It is a proposal to simply give to the Commissioners of the District of Columbia certain powers that they do not now possess so that we, as a legislative committee, will not constantly come to Congress and ask for the designation of streets and similar regulatory matters and administrative functions that should be placed within the jurisdiction of the Commissioners.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. STEFAN. Mr. Speaker, I would like to explain that I have looked over the bill very carefully and I think it should pass. I have no further objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are authorized and empowered within their discretion—

(a) In accordance with such regulations as they may make, to provide for the waiver of payment by any person in the military service of the United States of any annual or other periodic fee required by law to be paid to the District of Columbia or to any District of Columbia board or commission as a condition to retaining or renewing any license or permit to engage in any business or calling or to practice any profession in the District of Columbia.

(b) To make, adopt, and enforce regulations requiring persons, firms, and corporations, other than utility companies, engaged within the District of Columbia in the business of plumbing or gas fitting, or of installing, maintaining, or repairing heating, ventilating, air-conditioning, or mechanical refrigerating apparatus, equipment, appliances, systems, or parts thereof, or of installing, maintaining, or repairing apparatus, equipment, fixtures, appliances, or wiring, using, or conducting electric current, to furnish and keep in force a bond running to the District of Columbia with corporate surety authorized by the United States Treasury Department, and by the Insurance Department of the District of Columbia to do business in the District of Columbia in an amount not exceeding \$5,000, conditioned upon the performance in accordance with law and regulations in force in the District of Columbia of all such work undertaken by such person, firm, or corporation, and to keep the District of Columbia harmless from the consequences of any and all acts performed by said person, firm, or corporation in connection with such business during the period covered by the said bond.

The surety on any such bond may terminate its liability under such bond by giving 30 days' written notice thereof, served either personally or by registered mail, to the principal and to the Commissioners; and upon giving such notice the surety shall be dis-

charged from all liability under such bond for any act or omission of the principal occurring after the expiration of 30 days from the date of service of such notice. Unless on or before the expiration of such period the principal shall duly file a new bond in like amount and conditioned as the original in substitution of the bond so terminated, the license of the principal to engage in such business shall likewise terminate upon the expiration of such period. Upon making any payment on account of its bond, the surety shall immediately notify the Commissioners.

In the event the surety becomes insolvent or a bankrupt, or ceases to be authorized by the United States Treasury Department, or by the Insurance Department of the District of Columbia to do business in the District of Columbia, the principal shall, within 10 days after notice thereof, given by the Commissioners, duly file a new bond in like amount and conditioned as the original and if the principal shall fail to do so the license of such principal shall terminate. If a recovery be had on any bond the principal shall restore the bond to its original amount.

Any person aggrieved by the violation of any law or regulation in force in the District of Columbia relating to such business shall have, in addition to his right of action against said person, firm, or corporation, a right to bring suit against the surety on said bond, either alone or jointly with the principal thereon, and to recover in an amount not exceeding the penalty of the bond any damages sustained by reason of any act, transaction, or conduct of the principal which may be in violation of law or regulation in force in the District of Columbia relating to such business.

The Commissioners shall furnish to anyone applying therefor a certified copy of any such bond filed with them upon the payment of a fee to be fixed by the Commissioners therefor, and such certified copy shall be prima facie evidence in any court that such bond was duly executed and delivered by the person, firm, or corporation whose name appears therein.

(c) To rent any building or land belonging to the District of Columbia or under the jurisdiction of the Commissioners, or any available space therein, whenever such building or land, or space therein, is not then required for the purpose for which it was acquired, and to rent any used personal property belonging to the District of Columbia which is not then needed for the purpose for which it was acquired: *Provided*, That nothing contained in this paragraph shall have the effect of changing in any manner Public Law No. 732, Seventy-fourth Congress, entitled "An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes," approved June 20, 1936.

(d) To grant revocable permits upon such terms, conditions, bonds, and rentals as the Commissioners may impose for the construction of tunnels, and the laying of conduits and pipes in the alleys, streets, and avenues in the District of Columbia under the jurisdiction of the Commissioners.

(e) To suspend, with or without pay, any officer or employee appointed by them and, under such rules or regulations as they may prescribe, to delegate this power to any officers or employees of the District of Columbia.

(f) After public hearing to name and change the name of any highway, bridge, building, or other public place or property in the District of Columbia under the jurisdiction of the Commissioners.

(g) To fix, assess, and collect fees for copies of orders, regulations, permits, certificates, and transcripts of records furnished by the District of Columbia, such fees to be paid to the collector of taxes and deposited in the Treasury of the United States to the credit of the District of Columbia.

18.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 19, 1944, for actions of Friday, February 18, 1944).

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT; SUBSIDIES. Received the President's veto message on H.R. 3477, the CCC bill (H.Doc. 441). The veto was sustained, 226-151. (pp. 1885-86.) The President stated that this bill, if it became law, "would compel an increase in the cost of food and...living...not less than 7 percent. While increasing the cost of living, the prohibition of consumer subsidies will not add one dollar to the income of the farmers. This bill would reverse the policy of Congress; in effect, it repeals the Stabilization Act...[It] would destroy the stabilization program. I cannot accept responsibility for its disastrous consequences."
Reps. Wolcott, Mich., and McCormack, Mass., discussed the question as to when the House should consider a bill to continue CCC (p. 1888).
2. STATE, COMMERCE, AND JUSTICE APPROPRIATION BILL. Passed as reported this bill, H.R. 4204 (pp. 1890, 1892-1911). Rejected an amendment by Rep. Taber, N.Y., 24-42, to strike out the reappropriation of \$400,000 for cooperation with Latin America; which is made available in the bill until June 30, 1945 (pp. 1909-10).
During the debate on this bill Rep. Brown, Ohio, spoke in favor of his H.Res. 431, to create a select committee of the House with authority to conduct an investigation of Government news releases, published material, etc. (pp. 1890-92).
3. EGG PRICES. Received J.W. Fletcher's (Ill.) communication protesting against the difference between prices paid to farmer for eggs and prices paid by consumers (p. 1913).
4. SCHOOL LUNCH PROGRAM. Received Federal Security Agency's draft of a proposed bill to assist the States to establish and maintain school lunch programs. To Education Committee. (p. 1912.)
5. PRICE CONTROL; RATIONING. Received OPA's report for the period ended Sept. 30, 1943. To Banking and Currency Committee. (p. 1912.)
Ohio River valley and in
6. FLOOD CONTROL. Received War Department's reports on flood-control works in the alluvial valley of the Mississippi River. To Flood Control Committee. (p. 1912.)

7. TAXATION. Rep. Jenkins, Ohio, discussed the probability of a Presidential veto of the tax bill, H.R. 3687, stating, "If the tax bill fails because of the veto of the President, no other tax bill will be passed in this session" (p. 1889).
8. OVERTIME-PAY APPROPRIATIONS. Received (Feb. 17) from the President supplemental appropriation estimates for overtime pay, including \$18,206,800 for this Department (H.Doc. 424). To Appropriations Committee. The estimates include a general provision waiving restrictions contained in appropriations or affecting appropriations or other funds (available during the fiscal year 1944) limiting the amounts for personal services or other purposes, to the extent that such waiving is necessary to meet the overtime-pay requirements.

9. ADJOURNED until Mon., Feb. 21 (p. 1912).

SENATE

NOT IN SESSION. Next meeting Mon., Feb. 21.

BILLS INTRODUCED

10. VETERANS. By Rep. Cochran, Mo., H.R. 4227, to provide for determination of claims for benefits under the laws administered by the Veterans' Administration with respect to persons discharged from the armed forces because of disability prior to the granting of such discharge. To World War Veteran's Legislation Committee. (pp. 1912-13.)
11. HOUSING. By Rep. Jeffrey, Ohio, H.R. 4228 to reestablish the Federal Home Loan Bank Board and to transfer home loan bank administration to said Board. To Banking and Currency Committee. (p. 1913. Remarks of author (p. 1889).)
12. COMMODITY CREDIT. By Rep. Spence, Ky., H.R. 4230, to continue CCC as an agency of the U.S. until July 1, 1945, to revise the basis of annual appraisal of its assets, and H. J. Res. 239, continuing CCC as an agency of the U.S. until July 1, 1945. To Banking and Currency Committees. (p. 1913.)
13. FOREIGN POLICY. By Rep. Fulbright, Ark., proposing an amendment to the Constitution of the U.S. relating to the making of treaties. To Judiciary Committee (p. 1913.)

ITEMS IN APPENDIX

14. TRANSPORTATION. Rep. Dondero, Mich., inserted L.D. Smith's address on "Shipping and Shipbuilding in the Great Lakes in the Post-War Era" (pp. A875-76).
15. COMMODITY CREDIT; SUBSIDIES. Speech in the House by Rep. Wright, Pa., favoring subsidies (p. A878).
16. LIVESTOCK PRODUCTION. Rep. Harless, Ariz., inserted W.E. Patterson's radio address on "Cattlemen and Livestock Industry Problems" (pp. A878-79).
17. LATIN AMERICA. Rep. Taber, N.Y., inserted P. Cortes' Naples (N.Y.) Record article commending Sen. Butler's stand in regard to Latin American expenditures (p. A882-83).
18. RURAL ELECTRIFICATION. Extension of remarks of Rep. Woodruff, Mich., defending Harry Slattery's administration of REA (p. A883).

CONTINUING THE COMMODITY CREDIT CORPORATION

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT HIS SIGNATURE THE BILL (H. R. 3477 (S. 1458)) TO CONTINUE THE COMMODITY CREDIT CORPORATION AS AN AGENCY OF THE UNITED STATES, TO REVISE THE BASIS OF ANNUAL APPRAISAL OF ITS ASSETS, AND FOR OTHER PURPOSES

FEBRUARY 18, 1944.—Referred to the Committee on Banking and Currency and ordered to be printed

To the House of Representatives:

I received yesterday afternoon, February 17, 1944, H. R. 3477 (S. 1458), a bill which extends the life of the Commodity Credit Corporation until June 30, 1945, but which by its restrictive provisions would compel an increase in the cost of food and the cost of living to the people of the United States.

I promptly return the bill, without my signature, and urgently recommend that the Congress take action as soon as possible to extend without hampering restrictions the life of the Commodity Credit Corporation. Farmers could thereby make plans for the planting of crops and know the support prices on which they can rely.

The reasons for my disapproval of H. R. 3477—my most emphatic and vigorous disapproval—must already be known to every Senator and every Representative. The issue of using Government funds to hold down the cost of living is not a new issue and my views on it have been expressed before and at some length, particularly in my message vetoing a similar bill (H. R. 2869) on July 2, 1943.

This bill, like that bill, is an inflation measure, a high cost of living measure, a food-shortage measure.

This bill will raise the cost of food in the Bureau of Labor Statistics index not less than 7 percent and will raise the whole cost of living materially.

If this bill were to become law, the housewife would soon have to pay—

Ten cents a pound more for butter.

Nearly 8 cents more a pound for cheese.

One cent more for a quart of milk.

One cent more for a loaf of bread.

Seven cents more for a 10-pound bag of flour.

Hamburger would go up 4 cents a pound.

Pork chops would go up 4½ cents a pound.

Sliced ham would go up 6½ cents a pound.

Chuck roast would go up 3½ cents a pound.

Round steak would go up 5 cents a pound.

The cost of many other necessities would increase materially.

While increasing the cost of living, the prohibition of consumers' subsidies will not add one dollar to the income of the farmers.

This bill would in effect reverse the policy of the Congress; in effect, it repeals the Stabilization Act of October 2, 1942.

It is clear that we cannot hold the wage line if the Congress deprives us of the means necessary to hold the cost of living line.

No major country at war today has been able to stabilize the cost of living without the use of subsidies.

If the wage line breaks—and I do not see how it can be held if this bill becomes law—not only will food costs rise still further but all other costs will rise, including the cost of all munitions and supplies for the Army and Navy, by many billions.

Not only will it cost every American family more to buy the necessities of life, not only will it cost more to run our factories and our farms, but also the costs of conducting the war will rise proportionately day by day.

The weight of the increased burden will fall on all of us, but most of all on the unorganized workers and others who live on small and relatively fixed incomes, among whom are most of the dependents of our fighting men.

The bill presented to me would destroy the stabilization program.

I cannot accept responsibility for its disastrous consequences.

I hope that the Congress will not compel these consequences.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 18, 1944.*

H. R. 3477

SEVENTY-EIGHTH CONGRESS OF THE UNITED STATES OF AMERICA; AT THE SECOND SESSION, BEGUN AND HELD AT THE CITY OF WASHINGTON ON MONDAY, THE TENTH DAY OF JANUARY, ONE THOUSAND NINE HUNDRED AND FORTY-FOUR

AN ACT To continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term "31st of March" where that term first appears therein and substituting in lieu thereof the term "30th of June", and by deleting from

the second sentence thereof "on the basis of the cost, including not more than one year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of twelve months ending with March 31 of each year, whichever is less" and inserting in lieu thereof "on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower". The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

SEC. 2. Section 7 of the Act approved January 31, 1935, (49 Stat. 4), as amended, is hereby amended by changing the designation thereof to section 7 (a); by striking out in the first sentence of such section "February 17, 1944" and inserting in lieu thereof "June 30, 1945" (this amendment to be effective as of February 17, 1944); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: "*Provided, however,* That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided,* That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further,* That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of one fiscal year: *Provided further,* That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the Act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however,* That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided,* That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further,* That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce, or in lieu of increasing, maximum prices established on such commodities under the provisions of the Emergency Price Control Act of 1942, as amended, or Public Law No. 729, approved October 2, 1942, except as provided in section 4 hereof: *Provided,* That with respect to any such commodities for which programs involving such payments or losses have been announced on or before January

14, 1944, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but such programs shall be completed not later than June 30, 1944: *Provided further*, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That none of the foregoing provisions shall apply to any payments or losses incurred in transactions with respect to domestic sugar beets and sugarcane, and competitive domestic vegetable oils and fats and oil seed and oil seed meals: *And provided further*, That nothing herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

SEC. 4. (a) Within a period of one hundred and twenty days from the effective date of this Act, and within each six-month period thereafter, maximum prices heretofore or hereafter established on milk and the products thereof (pursuant to the Emergency Price Control Act of 1942, as amended, or Public Law 729, approved October 2, 1942), shall be adjusted on a regional or market basis as the case may require to the extent necessary to (1) reflect changes in farm labor costs, feed prices (including all feed fed whether purchased or home grown), and other costs since January 1, 1941; (2) place the production of milk and the products thereof on a competitive basis with alternative opportunities which are available to producers of milk; (3) correct inequities as between markets; and (4) maintain or increase the production of milk and the products thereof for war and civilian purposes: *Provided*, That in determining the extent to which maximum prices shall be adjusted as provided herein, due consideration shall be given to historical and normal differentials customarily applied as between markets and regions: *Provided further*, That in no event shall maximum prices on milk and the products thereof be established below support prices therefor or below the prices specified in section 3 of Public Law Numbered 729, approved October 2, 1942: *Provided further*, That where minimum prices to producers of milk have been regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the War Food Administrator is hereby directed, within the periods prescribed in this section (relating to the adjustment of maximum prices), to adjust such minimum prices to reflect adjustments in maximum prices determined and ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section is intended, nor shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended.

(b) In order to effectuate the purposes of paragraph (a) of this section, the War Food Administrator and the Price Administrator are hereby directed to hold public hearings on a regional or market basis as the case requires. For such purposes there shall be utilized the hearing procedure and the personnel of the Food Distribution Administration of the United States Department of Agriculture established under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and such other personnel of the Department of Agriculture and the Office of Price Administration as may be required. As soon as practicable after the completion of the hearing, but in any event within the periods specified in paragraph (a), the War Food Administrator and the Price Administrator shall make public their joint findings based only on relevant substantial evidence of record at the hearing and the Price Administrator forthwith shall issue an order adjusting such maximum price or prices on the basis of and in conformance with such findings.

(c) Any person (within the meaning of section 302 (h) of the Emergency Price Control Act of 1942, as amended) who is adversely affected by the order of the Price Administrator may, within thirty days after the action adjusting such maximum price or prices, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the order be enjoined or set aside in whole or in part.

The War Food Administrator shall be made a party to the proceedings and upon service of the summons and complaint, the Price Administrator shall certify and file in the court the transcript of the proceedings and the record upon which the order adjusting such maximum price or prices was based. The proceedings in and the determinations, orders, and decrees of such court shall be subject to all

applicable provisions of section 204 of the Emergency Price Control Act of 1942, as amended; except, that wherever the term "Administrator" is used therein, it shall, for the purposes hereof, be construed to mean the War Food Administrator and the Price Administrator: *Provided*, That during the pendency of such proceedings the Price Administrator may not modify or rescind his order adjusting such maximum price or prices except upon the basis of additional joint findings on evidence adduced pursuant to the order of the court. The provisions of this section shall terminate coterminous with the expiration of the Emergency Price Control Act of 1942, as amended.

SEC. 5. The Commodity Credit Corporation may sell at a loss perishable fruits or vegetables, owned or controlled by it, the increased production of which has been requested by the War Food Administrator, if there is danger of substantial loss through deterioration by spoilage.

SAM RAYBURN,
Speaker of the House of Representatives.

H. A. WALLACE,
Vice President of the United States and President of the Senate.

[Endorsement on back of bill:]

I certify that this Act originated in the House of Representatives.

SOUTH TRIMBLE, *Clerk.*





United States
of America

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

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WASHINGTON, FRIDAY, FEBRUARY 18, 1944

No. 32

Senate

The Senate was not in session today. Its next meeting will be held on Monday, February 21, 1944, at 12 o'clock meridian.

House of Representatives

FRIDAY, FEBRUARY 18, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of compassion and deliverance, enable us to forsake the taskmasters of hate and discouragement; Thou who dost know and require, do Thou endow us with a chastened sense of all men, then shall the chant of creation be Jehovah's praise. Human life is too precious and the world too fair to be darkened by the clouds of neglect and despair. Forbid that America should ever repudiate the Golden Rule and allow life to be materialized into a sham and mockery. O take our unused powers, our ideals unfulfilled, and our possibilities unachieved and let our soul breathe the breath of God.

Heavenly Father, the real crown of life is service and the finest minds covet the aim of Calvary's cross as they hear its challenging call to gallantry; O may it haunt the valiant hearts of men. In childhood's hour the paths to the altar were plain, but the tides of the world have dulled them; we have lost the wonder and the overmastering compulsion and the sight has faded and the memory of the Prince among men has chilled. O Harbinger, human and divine, when the strongholds of sin confront us, clothe us with chivalrous spirits to accept the challenge. Bless our great Republic for its genius, for its national life, teaching that no one can call Thee Father without having man as brother. "Rise up, O men of God, have done with lesser things and give mind and strength to serve the King of kings." In Thy name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on February 14, 1944, the President approved and signed a joint resolution of the House of the following title:

H. J. Res. 208. Joint resolution making an appropriation to assist in providing a supply and distribution of farm labor for the calendar year 1944.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Shaner, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3997. An act to amend the code of the District of Columbia providing for the sale of fish of the shad or herring species, and for other purposes; and

H. R. 4059. An act to amend an act entitled "An act to empower the Commissioners of the District of Columbia to convey land" (approved April 28, 1922):

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 192. Joint resolution to enable the United States to participate in the work of the United Nations Relief and Rehabilitation organization.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 375. An act for the relief of the Phoenix-Tempe Stone Co.; and

S. 1140. An act to provide for the appointment of an additional Assistant Secretary of the Interior.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—CONTINUING COMMODITY CREDIT CORPORATION (H. DOC. NO. 441)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read, and, with the bill, was referred to the Committee on Banking and Currency and ordered to be printed as a House document:

To the House of Representatives:

I received yesterday afternoon, February 17, 1944—H. R. 3477 (S. 1458)—a bill which extends the life of the Commodity Credit Corporation until June 30, 1945, but which by its restrictive provisions would compel an increase in the cost of food and the cost of living to the people of the United States.

I promptly return the bill, without my signature, and urgently recommend that the Congress take action as soon as possible to extend without hampering restrictions the life of the Commodity Credit Corporation. Farmers could thereby make plans for the planting of crops and know the support prices on which they can rely.

The reasons for my disapproval of H. R. 3477—my most emphatic and vigorous disapproval—must already be known to every Senator and every Representative. The issue of using Government funds to hold down the cost of living is not a new issue and my views on it have been expressed before and at some length, particularly in my message vetoing a similar bill (H. R. 2869) on July 2, 1943.

This bill, like that bill, is an inflation measure, a high-cost-of-living measure, a food-shortage measure.

This bill will raise the cost of food in the Bureau of Labor Statistics index not

less than 7 percent and will raise the whole cost of living materially.

If this bill were to become law, the housewife would soon have to pay:

Ten cents a pound more for butter.

Nearly 8 cents more a pound for cheese.

One cent more for a quart of milk.

One cent more for a loaf of bread.

Seven cents more for a 10-pound bag of flour.

Hamburger would go up 4 cents a pound.

Pork chops would go up 4½ cents a pound.

Sliced ham would go up 6½ cents a pound.

Chuck roast would go up 3½ cents a pound.

Round steak would go up 5 cents a pound.

The cost of many other necessities would be increased materially.

While increasing the cost of living, the prohibition of consumers subsidies will not add one dollar to the income of the farmers.

This bill would in effect reverse the policy of the Congress; in effect, it repeals the Stabilization Act of October 2, 1942.

It is clear that we cannot hold the wage line if the Congress deprives us of the means necessary to hold the cost-of-living line.

No major country at war today has been able to stabilize the cost of living without the use of subsidies.

If the wage line breaks—and I do not see how it can be held if this bill becomes law—not only will food costs rise still further but all other costs will rise—including the cost of all munitions and supplies for the Army and Navy by many billions.

Not only will it cost every American family more to buy the necessities of life, not only will it cost more to run our factories and our farms, but also the costs of conducting the war will rise proportionately day by day.

The weight of the increased burden will fall on all of us, but most of all on the unorganized workers and others who live on small and relatively fixed incomes, among whom are most of the dependents of our fighting men.

The bill presented to me would destroy the stabilization program.

I cannot accept responsibility for its disastrous consequences.

I hope the Congress will not compel these consequences.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 18, 1944.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

The question is, Will the House on reconsideration pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, a roll call must be had.

The question was taken; and there were—yeas 226, nays 151, not voting, 51, as follows:

[Roll No. 32]

YEAS—226

Abernethy	Anderson, Calif.	Arnold
Allen, Ill.	Andresen,	Auchincloss
Allen, La.	August H.	Baldwin, Md.
Andersen,	Andrews	Barden
H. Carl	Arends	Barrett

Bates, Mass.	Hall,	Ploeser
Bender	Leonard W.	Plumley
Bennett, Mich.	Halleck	Poage
Bennett, Mo.	Hancock	Pracht,
Bishop	Harness, Ind.	C. Frederick
Blackney	Harris, Ark.	Pratt,
Bolton	Heidinger	Joseph M.
Boren	Hess	Ramey
Bradley, Mich.	Hill	Rankin
Brown, Ga.	Hocven	Reece, Tenn.
Brown, Ohio	Hoffman	Reed, N. Y.
Brumbaugh	Holmes, Mass.	Rees, Kans.
Buffett	Holmes, Wash.	Rizley
Busbey	Hope	Robertson
Butler	Horan	Rockwell
Camp	Howell	Rodgers, Pa.
Cannon, Mo.	Jarman	Rogers, Mass.
Carlson, Kans.	Jeffrey	Rohrbough
Carrier	Jenkins	Rolph
Carson, Ohio	Jennings	Rowe
Case	Jensen	Russell
Chenoweth	Johnson,	Sauthoff
Chiperfield	Anton J.	Schiffer
Church	Johnson,	Schwabe
Clason	Calvin D.	Scott
Clevenger	Johnson, Ind.	Scrivner
Cole, Mo.	Johnson, Okla.	Shafer
Cole, N. Y.	Johnson, Ward	Short
Colmer	Jones	Simpson, Ill.
Compton	Jonkman	Simpson, Pa.
Costello	Kean	Slaughter
Courtney	Keefe	Smith, Maine
Cox	Kilburn	Smith, Ohio
Cravens	Kinzer	Smith, Wis.
Crawford	Kleberg	Sparkman
Cunningham	Kunkel	Springer
Curtis	Lambertson	Stanley
Day	Lanham	Starnes, Ala.
Dewey	Lea	Stearns, N. H.
Disney	LeCompte	Stefan
Dondero	LeFevre	Stevenson
Dworschak	Lemke	Stewart
Eaton	Lewis	Stockman
Elliott	McConnell	Sumner, Ill.
Ellis	McGehee	Sundstrom
Ellsworth	McGregor	Taber
Elmer	McKenzie	Talle
Engel, Mich.	McLean	Tarver
Engle, Calif.	Maas	Thomas, N. J.
Fellows	Mahon	Thomason
Fisher	Mansfield, Tex.	Tibbott
Fulbright	Martin, Iowa	Troutman
Fuller	Martin, Mass.	Vincent, Ky.
Gallagher	Mason	Vinson, Ga.
Gathings	May	Vorys, Ohio
Gavin	Merrow	Vursell
Gearhart	Michener	Wadsworth
Gibson	Miller, Conn.	Ward
Gilchrist	Miller, Nebr.	Welchel, Ohio
Gillette	Miller, Pa.	West
Gillie	Mills	Whitten
Goodwin	Monkiewicz	Whittington
Gossett	Mott	Wigglesworth
Graham	Mundt	Willey
Grant, Ala.	Murray, Tenn.	Wilson
Grant, Ind.	Murray, Wis.	Winstead
Gregory	Norman	Wolcott
Griffiths	Norrell	Wolfenden, Pa.
Gross	O'Brien, N. Y.	Woodruff, Mich.
Gwynne	O'Hara	Woodrum, Va.
Hagen	Pace	Worley
Hale	Peterson, Ga.	
Hall,	Phillips	
Edwin Arthur	Pittenger	

NAYS—151

Anderson,	Dawson	Hendricks
N. Mex.	Delaney	Herter
Angell	Dickstein	Hinshaw
Baldwin, N. Y.	Dies	Hoch
Barry	Dilweg	Hollifield
Bates, Ky.	Dingell	Hull
Beckworth	Drewry	Izac
Bland	Durham	Jackson
Bloom	Eberharter	Johnson,
Bonner	Ellison, Md.	Luther A.
Bradley, Pa.	Fay	Johnson,
Brooks	Felghan	Lyndon B.
Bryson	Fernandez	Judd
Buckley	Fitzpatrick	Kearney
Bulwinkle	Flannagan	Kee
Burchill, N. Y.	Fogarty	Kefauver
Burdick	Folger	Kelley
Burgin	Forand	Kennedy
Byrne	Ford	Keogh
Canfield	Furlong	Kerr
Cannon, Fla.	Gale	King
Capozzoli	Gordon	Kirwan
Carter	Gore	Klein
Celler	Gorski	LaFollette
Chapman	Granger	Lane
Clark	Green	Larcade
Cochran	Harless, Ariz.	Ludlow
Cooley	Harris, Va.	McCord
Cooper	Hart	McCormack
Crosser	Hays	McMurray
D'Alesandro	Hébert	Madden
Davis	Heffernan	Magnuson

Maloney	Peterson, Fla.	Snyder
Mansfield,	Pfeifer	Somers, N. Y.
Mont.	Poulson	Spence
Marcantonio	Powers	Sullivan
Merritt	Priest	Thomas, Tex.
Monroney	Rabaut	Tolan
Morrison, N. C.	Ramspeck	Towe
Mruk	Randolph	Voorhis, Calif.
Murdock	Rivers	Walter
Murphy	Robinson, Utah.	Wasielewski
Myers	Rogers, Calif.	Weaver
Norton	Rowan	Weiss
O'Brien, Ill.	Sabath	Welch
O'Brien, Mich.	Sadowski	Wene
O'Connor	Sasser	White
O'Konski	Satterfield	Wickersham
O'Neal	Scanlon	Wolverton, N. J.
O'Toole	Sheppard	Wright
Outland	Sheridan	Zimmerman
Patton	Sikes	

NOT VOTING—51

Beall	Gifford	Newsome
Bell	Hare	O'Leary
Boykin	Hartley	Patman
Brehm	Hobbs	Philbin
Burch, Va.	Johnson,	Price
Coffee	J. Leroy	Reed, Ill.
Cullen	Kilday	Richards
Curley	Knutson	Robison, Ky.
Dirksen	Landis	Smith, Va.
Domengeaux	Lesinski	Smith, W. Va.
Doughton	Luce	Sumners, Tex.
Douglas	Lynch	Talbot
Elston, Ohio	McCowan	Taylor
Fenton	McMillan	Treadway
Fish	McWilliams	Welchel, Ga.
Fulmer	Manasco	Winter
Gambie	Miller, Mo.	
Gerlach	Morrison, La.	

So two-thirds not having voted in favor thereof, the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Sumners of Texas and Mr. Kilday for, with Mr. Patman against.

Mr. Hobbs and Mr. Manasco for, with Mr. Cullen against.

Mr. Reed of Illinois and Mr. Newsome for, with Mr. Lynch against.

Mr. Talbot and Mr. McWilliams for, with Mr. O'Leary against.

Mr. Brehm and Mr. Beall for, with Mr. Morrison of Louisiana against.

Mr. Fenton and Mr. Gerlach for, with Mr. Richards against.

Mr. Curley and Mr. Gifford for, with Mr. Hartley against.

Mr. Fish and Mr. Miller of Missouri for, with Mr. Coffee against.

Mr. Landis and Mr. McCowan for, with Mr. Philbin against.

Mr. Knutson and Mr. Dirksen for, with Mr. Lesinski against.

Mr. Douglas and Mr. Elston of Ohio for, with Mr. Price against.

General pairs:

Mr. Smith of Virginia with Mr. Treadway.

Mr. Fulmer with Mr. Gambie.

Mr. Hare with Mr. J. Leroy Johnson.

Mr. McMillan with Mrs. Luce.

Mr. Bell with Mr. Winter.

Mr. Smith of West Virginia with Mr. Taylor.

Mr. Boykin with Mr. Robison of Kentucky.

Mr. DINGELL. Mr. Speaker, I heard my name mentioned as being paired to sustain the veto. I voted "no," which is a vote to sustain the President's veto.

The SPEAKER. The gentleman was not paired.

Mr. MURPHY. When the name of the gentleman from Wisconsin [Mr. MURRAY] was called I responded "No." I did not want any error about it.

Mr. HERTER changed his vote from "aye" to "no."

Mr. O'KONSKI changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The veto message and bill, together with the accompanying papers, are referred to the Committee on Banking and Currency and ordered printed.

The Clerk will notify the Senate of the action taken by the House.

LIBERALIZING PENSION LAWS RELATING TO VETERANS OF THE SPANISH WAR

Mr. BUCKLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2350), an act to liberalize the service pension laws relating to veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition, and their dependents, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

On page 3, after line 2, insert:

"SEC. 4. The act of May 1, 1926 (44 Stat. 382-384; U. S. C., title 38, secs. 364-364f), is hereby amended by adding a new section thereto No. 9, to read as follows:

"SEC. 9. No pension or increase in pension shall hereafter be allowed to the widow of a veteran of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, under any law, unless there was continuous cohabitation from the date of marriage to the date of death with the person who served, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow: *Provided*, That this section shall not be construed so as to discontinue any pension granted prior to the enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BUCKLEY]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is the so-called Spanish-American War veterans' pension bill, and this amendment added by the Senate is simply an amendment that requires the wife to have been living with the veteran at the time of his death. Is that correct?

Mr. BUCKLEY. That is right.

Mr. MARTIN of Massachusetts. There is no other change in the legislation except that?

Mr. BUCKLEY. That is all.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

By unanimous consent, Mr. O'BRIEN of Illinois was granted permission to extend his own remarks in the RECORD.

Mr. HART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by the national commander of the Jewish War Veterans.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent that my colleague

the gentleman from Louisiana [Mr. DOMENGEAUX] may revise and extend his own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. D'ALESSANDRO asked and was given permission to extend his own remarks in the RECORD.)

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects; in one to include a resolution passed by the City Council of Lynn on the subject of the coal situation in that city, and in the other, to include a resolution of the City Council of Lynn requesting that a Jewish homeland be established in Palestine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement from the New Yorker.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement by Rabbi Silver. I have an estimate from the Public Printer that the cost will be \$157.50.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two other subjects; in one, to include an article by David Olbrin from the Pittsburgh Press, a Scripps-Howard newspaper; and in the other to include a letter from a soldier.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

THE LATE HONORABLE HENRY A. CLARK

Mr. RODGERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RODGERS of Pennsylvania. Mr. Speaker, it is my sad duty to announce the passing of a former Member of this body, Hon. Henry A. Clark, of Erie, Pa. His death occurred Tuesday, February 15, after a brief illness.

Mr. Clark celebrated his ninety-fourth birthday on January 7, this year. His death brought to a close not only a long, but a most useful and highly eventful life.

After availing himself of the local educational facilities, he entered Harvard in 1870, and was graduated 4 years later. During these years he and some classmates started a college paper, later known as the Crimson, which achieved national reputation. History records that a later editor of this publication was one Harvard student by the name of Franklin D. Roosevelt.

Mr. Clark was a lawyer by profession and in politics he was a Republican. His first political office was member of the council of the city of Erie. He was later city solicitor. He served three terms in the State legislature. He was the sponsor of the law establishing the commission form of government for cities of the third class in the State of Pennsylvania, which law is generally referred to as the Clark Act. In 1916 he was elected to represent his district in the Sixty-fifth Congress, or better known as the World War Congress. Declining to be a candidate for reelection, he resumed the practice of law. In 1921 he was appointed by Gov. William C. Sproul as presiding judge of the orphans court of Erie county, to which office he was chosen at the next election for a full 10-year term.

It was my good fortune to be personally acquainted with Judge Clark for many years. When I was first elected to Congress, he called upon me at my office for the purpose of giving me some friendly, and which later proved most valuable, information and advice.

For years he has been known as Erie's grand old man. The many who mourn his passing will long cherish his memory.

PERMISSION TO ADDRESS THE HOUSE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that I may address the House for 10 minutes today at the conclusion of the business of the day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. TALLE. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of the simplification of income tax reporting.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

AUTHORSHIP AND CHARACTER OF MR. WALLACE'S SPEECHES

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. BUSBEY addressed the House. His remarks appear in the Appendix of today's RECORD.]

THE CONSENT CALENDAR, FEBRUARY 21, TO BE CALLED WEDNESDAY, FEBRUARY 23—ORDER OF BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the calling of the Consent Calendar may be dispensed with on Monday next, that it may be in order to call the calendar on Wednesday of next week.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what else will be considered on Wednesday?

Mr. McCORMACK. On Wednesday we will take up the further consideration of the bill from the Committee on Immigration and Naturalization that was under consideration the other day.

I have no other program to announce for next week at this time except what I announced yesterday that if the State, Commerce, and Justice appropriation bill is disposed of today I will ask that when the House adjourn today it adjourn until Monday next. I will ask that anyway.

There will be no legislative business on either Monday or Tuesday. While we shall meet on Monday and Tuesday there will be no legislative business if the State, Commerce, Justice bill is disposed of today.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I hope the majority leader will have in mind that the Commodity Credit Corporation expired last night, and that it might be necessary to give some consideration almost immediately to legislation continuing the life of the Commodity Credit Corporation. I think the majority leader would not like to put himself in the position of prohibiting the taking up of that resolution on Monday or Tuesday if the committee acts.

Mr. McCORMACK. The majority leader is not putting himself in that position. The duty and responsibility rests upon the gentleman from Michigan and the other members of the Committee on Banking and Currency to report out a bill forthwith. I assume that the bill will be introduced here on Monday. I assume the gentleman's committee will meet promptly, and if so, it will be up Wednesday; but I cannot put it on the program until the committee reports out a bill.

Mr. WOLCOTT. Can the gentleman assume that the committee will not meet tomorrow and report it out and put it on the calendar so it can be considered Monday?

Mr. McCORMACK. If the committee meets and reports out a bill Monday it will be brought up on Wednesday of next week.

Mr. WOLCOTT. Then it is the understanding that it will not be brought up until Wednesday of next week?

Mr. McCORMACK. We have an understanding with the House that there will be no legislative business on Monday and Tuesday if the pending appropriation bill is disposed of this week.

Mr. WOLCOTT. Then the gentleman from Massachusetts assumes the responsibility—

Mr. McCORMACK. Was the gentleman from Michigan here yesterday?

Mr. WOLCOTT. The gentleman assumes the responsibility then of not giving this House an opportunity to vote to extend the life of the Commodity Credit Corporation before Wednesday?

Mr. McCORMACK. The gentleman is trying to get a little political advantage over me.

Mr. WOLCOTT. I want to know if the gentleman is taking that responsibility.

Mr. McCORMACK. The gentleman has a responsibility of his own. He should get his bill out.

Mr. WOLCOTT. We have already exercised our responsibility. The House is going to be in session on Monday and Tuesday, but the gentleman precludes us from bringing up the resolution at that time by saying there will be no legislation considered before Wednesday. Understand me, I am not so keen about continuing the Commodity Credit Corporation. The President has assumed his responsibility and exercised it, but there are those Members in this House, and I assume a majority of them, who do want to continue it and I am going along with their desire and will cooperate.

Mr. McCORMACK. The gentleman from Massachusetts has an agreement with the gentleman from Massachusetts [Mr. MARTIN].

Mr. WOLCOTT. I am not chairman of the committee.

Mr. McCORMACK. If the gentleman had been here the other day he would have heard what was stated. The gentleman from Massachusetts had an agreement with the minority leader and with the House that there would be no legislative business until next Wednesday except that any matter that could be passed by unanimous consent would be brought up. Now, does the gentleman from Michigan understand the significance of a gentleman's agreement?

Mr. WOLCOTT. Yes; and the gentleman—

Mr. McCORMACK. Does the gentleman from Michigan understand the significance—

Mr. WOLCOTT. And the gentleman assumes responsibility if the Commodity Credit Corporation cannot function.

Mr. McCORMACK. The gentleman from Michigan is trying to pull off a little sharp politics and he knows it.

Mr. WOLCOTT. The gentleman is mistaken; there can be no other assumption about it.

Mr. McCORMACK. The gentleman from Michigan—

Mr. WOLCOTT. I do not care whether the Commodity Credit Corporation is continued or not. If Members on your side want it continued I want to go along with them.

Mr. McCORMACK. Surely the gentleman is familiar with the meaning of a gentleman's agreement. If the gentleman's committee reports out a bill on Monday that can be passed by unanimous consent we will pass it; if not we will call it up on Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. McLEAN. Mr. Speaker, reserving the right to object—

The SPEAKER. I hope the gentleman will withdraw the request if there is going to be any controversy. There is a lot of business to be transacted today.

Mr. McLEAN. There is no controversy, Mr. Speaker.

The SPEAKER. The gentleman from New Jersey has reserved the right to object. The gentleman is recognized.

Mr. McLEAN. Mr. Speaker, it seems to me to be proper for the majority leader to announce that it has been arranged that on Tuesday next, in accordance with the time-honored custom of the House, the gentleman from New Mexico [Mr. ANDERSON] will read Washington's Farewell Address.

Mr. McCORMACK. I did not know who was going to read it. The purpose of meeting on Tuesday, of course, was to follow the time-honored custom. It will be carried out.

The SPEAKER. A statement appears on the front of the calendar that the gentleman from New Mexico [Mr. ANDERSON] will read Washington's Farewell Address on Tuesday, the 22d.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that at the conclusion of business on the Speaker's desk and after the other special orders for the day I may be permitted to address the House for 20 minutes on the subject of subsidies, with particular reference to the President's veto message.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. TABER. Mr. Speaker, I also ask unanimous consent that in the remarks I expect to make this afternoon in the Committee of the Whole I may include certain tables.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. GOODWIN]?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]